



Fair Work  
Commission

24 January 2024

Robert Moore  
Secretary  
Health Services Union-Tasmania Branch

Sent via email: [admin@hacsu.org.au](mailto:admin@hacsu.org.au)

CC: [benc@synecticgroup.com.au](mailto:benc@synecticgroup.com.au)

Dear Robert Moore

**Health Services Union-Tasmania Branch  
Financial Report for the year ended 30 June 2023 – FR2023/41**

I acknowledge receipt of the financial report for the year ended 30 June 2023 for the Health Services Union-Tasmania Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 13 December 2023.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under section 268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that next year's financial report may be subject to an advanced compliance review.

If you have any queries regarding this letter, please call 1300 341 665 or email [regorgs@fwc.gov.au](mailto:regorgs@fwc.gov.au).

Yours sincerely

**Fair Work Commission**

**Health Services Union, Tasmania Branch**

s.268 Fair Work (Registered Organisations Act) Act 2009

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2023

I, Robert Moore, being the Branch Secretary of the Health Services Union, Tasmania Branch, certify:

- That the document lodged herewith is a copy of the full report for the Health Services Union, Tasmania Branch, for the period ended 30 June 2023 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- That the full report was provided to the members of the reporting unit on 22 September 2023; and
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 13 December 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to read 'R Moore', with a long, sweeping horizontal stroke extending to the right.

Name of prescribed designated officer: Robert Moore

Title of prescribed designated officer: Branch Secretary

Dated: 13 December 2022



# Health Services Union Tasmania Branch

## Financial Statements

For the Year Ended 30 June 2023

**Health Services Union, Tasmania Branch**

**Financial Statements**

**For the Year Ended 30 June 2023**

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Health Services Union, Tasmania Branch

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## Health Services Union, Tasmania Branch

### Operating Report for the year ended 30 June 2023

The Committee of Management presents its operating report on the union for the year ended 30 June 2023.

#### **Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year.**

- Representing individual members in grievance disputes with employers. The Branch's member contact centre, *HACSUassist*, continued to support hundreds of members with the provision of information and representation with grievances and disputes with their employer. The level of activity in this area has been gradually increasing due to the increase in member numbers.
- Representing groups of members at various workplaces regarding disputes with employers. The HACSU organising teams in the South and North/North-West of the State worked with groups of members at worksites concerning issues with their employer.
- Negotiating Collective Bargaining Agreements resulting in increased wages and conditions for members covered by those Agreements. Agreements were renegotiated as they expired and new agreements were entered into. The number of members covered by Collective Bargaining Agreements was at approximately the same level as the previous year.
- Providing certain classes of members with professional indemnity and legal benefits insurance. The number of claims made against these policies was consistent with the previous year.
- Providing members with access to cheap affordable holidays in the Union's holiday homes as well as discounted entertainment and shopping. The number of members accessing the holiday homes remained consistent with the previous year.
- Providing union delegates and worksite committee members with training and education to enable them to better represent members in the workplace. The level of training was at about the same level as last year.

No significant change in the nature of these activities occurred during the year.

#### **Significant changes in financial affairs**

The net assets of the Branch increased by \$458,189 during the financial year.

Total income was up by \$216,287 on the previous financial year. This was primarily due to increased membership.

Overall expenditure of the branch increased by \$78,844.

Capitation fees increased by \$12,503 on the previous year due to an increase in membership numbers.

Affiliation fees were up \$4,285 on the previous year primarily due to an increase in Unions Tasmania affiliation fees.

A summary of the main movement in areas of operating expenditure were:

- Computer expenses decreased by \$16,598 primarily due to the previous financial year spend being above average with additional computer-related expenses incurred with temporary office moves.
- Expenditure on member benefits program decreased by \$42,688 due to a change in service provider.

## Health Services Union, Tasmania Branch

# Operating Report for the year ended 30 June 2023

### Significant changes in financial affairs continued

- Organising campaign expenditure increased by \$15,461 due to increased industrial campaigns across the sectors.
- Motor vehicle running costs increased by \$13,801 due to increased intrastate travel and increased fuel and maintenance costs.
- Membership system costs decreased by \$14,975 as the previous year was higher than usual due to transitional costs in moving to a new Membership system.
- Conference attendance and travel costs have increased due to staff attending the national ACTU organising conference in Brisbane.
- Delegate conference costs have increased by \$12,068 due to an increase in attendance numbers and increased running costs.
- Staff training costs have increased by \$23,177 due to an increase in new staff attending organiser training, the increase in costs of providing training and additional training opportunities for senior union staff.
- Purchase of movie tickets decreased by \$6,947 resulting from reduced demand.
- Purchase of discount cards increased by \$2,185 resulting from slight increased demand.
- Insurance costs have increased by \$23,369 primarily due to the increase in membership numbers requiring professional indemnity insurance coverage and the premium increase associated with the cover.

### Right of members to resign

Section 174 of Fair Work (Registered Organisations) Act 2009 states that a member of the Union may resign from membership by written notice addressed and delivered to the State Secretary giving two weeks' notice.

### Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position

No officers or employees were superannuation fund trustee(s) or directors of a company that is a superannuation fund trustee, including an exempt public sector superannuation fund during the financial year.

### Number of members

The number of persons who, at the end of the reporting period, were recorded on the Register of members of the organisation was 10,027.

### Number of employees

As at 30 June 2023, the number of full-time equivalent persons, excluding casuals, who were employees of the Union, was 26.

**Health Services Union, Tasmania Branch**

**Operating Report  
for the year ended 30 June 2023**

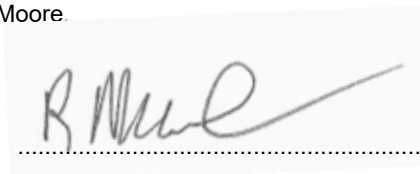
**Names of Committee of Management members and period positions held during the financial year**

Judy Richmond	Branch President
Tim Jacobson	Branch Secretary
Lucas Digney	Assistant Branch Secretary
Chris Webb	Senior Vice President
Pru Peschar	Junior Vice President (1/07/2022 to 4/08/2022)
Christine Hansson	Junior Vice President (4/08/2022 to 30/06/2023); COM Member (1/07/2022 to 4/08/2022)
Leigh Gorringe	Branch Trustee
Peter Moore	Branch Trustee
Andrew Challis	COM Member
Carolyn Shearer	COM Member
Mike Coombs	COM Member
Pam Brock	COM Member (1/07/2022 to 4/08/2022)
Marlene McHenry	COM Member
Melissa Bibe	COM Member
David Thomas	COM Member
Tanya Clifford	COM Member (4/08/2022 to 30/06/2023)
Kristina Manning	COM Member (4/08/2022 to 30/06/2023)
Kristy Youd	COM Member (4/08/2022 to 30/06/2023)

The above persons held office for the full year unless otherwise indicated.

Subsequent to the end of the financial year, on 10 August 2023, Timothy Jacobson retired as Branch Secretary and was replaced on 11 August 2023 by Robert Moore.

Signature of designated officer:



Name and title of designated officer:

Robert Moore, Branch Secretary

Dated:

20 September 2023

**Health Services Union, Tasmania Branch**

**Committee of Management Statement**

On the 20th September 2023 the branch committee of management of the Health Services Union, Tasmania Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2023:

The branch committee of management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the union for the financial year to which they relate;
- d) there are reasonable grounds to believe that the union will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii. the financial affairs of the union have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii. the financial records of the union have been kept and maintained in accordance with the RO Act; and
  - iv. where the organisation consists of two or more unions, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v. where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.



Signature of designated officer: .....

Name and title of designated officer: Robert Moore, Branch Secretary

Dated: 20 September 2023



**Health Services Union, Tasmania Branch**

**Report Required Under Subsection 255(2A)  
For the Year Ended 30 June 2023**

The committee of management presents the expenditure report as required under subsection 255(2A) on the union for the year ended 30 June 2023.

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Remuneration and other employment-related costs and expenses – employees	<b>3,168,080</b>	3,147,411
Advertising	<b>14,300</b>	7,106
Operating costs	<b>1,366,210</b>	1,309,068
Legal costs	<b>10,776</b>	10,800
Donations to political parties	-	-

Signature of designated officer:



Name and title of designated officer: Robert Moore, Branch Secretary

Dated: 20 September 2023

## Health Services Union, Tasmania Branch

### Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 30 June 2023

	2023	2022
Note	\$	\$
<b>Revenue from contracts with customers</b>		
Membership subscriptions	4,892,523	4,694,851
<b>Other income</b>		
Rental income	23,561	19,340
Other income	506,955	505,384
Interest	14,782	8,374
Gain on disposal of assets	6,415	-
	<u>551,713</u>	<u>533,098</u>
<b>Total income</b>	<u>5,444,236</u>	<u>5,227,949</u>
<b>Expenses</b>		
Employee expense	3(a) 3,168,080	3,147,411
Capitation fees and other expense to another operating unit	3(b) 187,463	174,960
Affiliation fees	3(c) 130,452	126,167
Administration expenses	3(d) 428,111	485,048
Depreciation and amortisation expense	3(e) 113,080	88,296
Legal costs	3(f) 10,776	10,800
Audit fees	11,694	19,000
Other expenses	3(g) 931,741	805,515
Loss on disposal of assets	-	44,356
<b>Total expenses</b>	<u>4,981,397</u>	<u>4,901,553</u>
<b>Surplus/(deficit) for the year</b>	<u>462,839</u>	<u>326,396</u>
<b>Other comprehensive income</b>		
Revaluation of land and buildings	(4,649)	-
<b>Other comprehensive income for the year, net of tax</b>	<u>(4,649)</u>	<u>-</u>
<b>Total comprehensive income for the year</b>	<u>458,190</u>	<u>326,396</u>

## Health Services Union, Tasmania Branch

### Statement of Financial Position

As At 30 June 2023

	Note	2023 \$	2022 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	4	1,635,881	1,330,225
Trade and other receivables	5	21,772	16,136
Other assets	6	184,925	298,012
<b>Total Current Assets</b>		<b>1,842,578</b>	<b>1,644,373</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	4,867,492	4,661,527
Intangible assets		103,228	116,755
<b>Total Non-Current Assets</b>		<b>4,970,720</b>	<b>4,778,282</b>
<b>TOTAL ASSETS</b>		<b>6,813,298</b>	<b>6,422,655</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade and other payables	8	155,265	162,241
Deferred income	9	3,106	972
Employee benefits	10	529,450	628,029
<b>Total Current Liabilities</b>		<b>687,821</b>	<b>791,242</b>
<b>Non-Current Liabilities</b>			
Employee benefits	10	190,764	154,889
<b>Total Non-Current Liabilities</b>		<b>190,764</b>	<b>154,889</b>
<b>TOTAL LIABILITIES</b>		<b>878,585</b>	<b>946,131</b>
<b>NET ASSETS</b>		<b>5,934,713</b>	<b>5,476,524</b>
<b>EQUITY</b>			
Reserves		617,669	622,318
Retained Earnings		5,317,044	4,854,206
<b>TOTAL EQUITY</b>		<b>5,934,713</b>	<b>5,476,524</b>

Health Services Union, Tasmania Branch

**Statement of Changes in Equity**  
For the Year Ended 30 June 2023

	<b>Retained Earnings</b>	<b>Asset Revaluation Reserve</b>	<b>Total</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Balance at 1 July 2022</b>	<b>4,854,206</b>	<b>622,318</b>	<b>5,476,524</b>
Profit for the year	<b>462,839</b>	-	<b>462,839</b>
Revaluation of land and buildings	-	<b>(4,649)</b>	<b>(4,649)</b>
Transfers	-	-	-
<b>Closing balance as at 30 June 2023</b>	<b>5,317,045</b>	<b>617,669</b>	<b>5,934,714</b>
<b>Balance at 1 July 2021</b>	4,527,810	622,318	5,150,128
Profit for the year	326,396	-	326,396
Transfers	-	-	-
<b>Closing balance as at 30 June 2022</b>	<b>4,854,206</b>	<b>622,318</b>	<b>5,476,524</b>

The accompanying notes form part of these financial statements.

**Statement of Cash Flows**  
**For the Year Ended 30 June 2023**

	2023	2022
Note	\$	\$
<b>OPERATING ACTIVITIES:</b>		
Receipts from customers	5,396,174	5,168,451
Interest received	14,782	8,374
Other receipts	523,144	491,463
Payments to suppliers	(1,480,371)	(1,695,367)
Receipts from other reporting units	15,069	8,623
Payments to employees	(3,228,991)	(3,146,823)
Payments to other reporting units	(284,950)	(245,247)
Net GST remitted	(345,450)	(249,495)
Net cash from (used by) operating activities	18 <u>609,407</u>	<u>339,979</u>
<b>INVESTING ACTIVITIES:</b>		
Proceeds from sale of property, plant and equipment	29,455	21,364
Payments for purchase of property plant and equipment	(305,870)	(1,238,922)
Payments for intangible assets	(27,335)	(60,545)
Net cash from (used by) investing activities	<u>(303,750)</u>	<u>(1,278,103)</u>
<b>FINANCING ACTIVITIES:</b>		
Net increase (decrease) in cash held	305,657	(938,124)
Cash and cash equivalents at the beginning of the reporting period	<u>1,330,225</u>	<u>2,268,349</u>
Cash and cash equivalents at the end of the reporting period	4 <u><u>1,635,882</u></u>	<u><u>1,330,225</u></u>

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 1 Summary of Significant Accounting Policies

##### (a) Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the Fair Work (Registered Organisation) Act 2009 (RO Act). For the purpose of preparing the general purpose financial statements, the union is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

##### (b) Adoption of new and revised accounting standards

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendments to accounting standards and other changes in accounting policy, which have been adopted for the first time this financial year:

No accounting standard has been adopted earlier than the application date stated in the standard. No material changes to reported amounts have occurred as a result of the new and/or revised accounting standards.

##### **AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments**

The annual improvements amend the following standards:

- AASB 9 *Financial Instruments* to clarify that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- AASB 16 *Leases* to amend Illustrative Example 13 to remove the illustration of the reimbursement of leasehold improvements by the lessor.
- Amendments to AASB 116 *Property, Plant and Equipment* require an entity to recognise the sales proceeds from selling items produced while preparing property, plant and equipment for its intended use and the related cost in the profit or loss, instead of deducting the amounts received from the cost of the asset.
- Amendments to AASB 137 *Provisions, Contingent Liabilities and Contingent Assets* clarify which costs an entity can include when assessing whether a contract will be onerous.

##### **AASB 2021-3 Amendments to Australian Accounting Standards – COVID-19-Related Rent Concessions beyond 30 June 2021**

This amendment provides relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 1 Summary of Significant Accounting Policies continued

(b) **Adoption of new and revised accounting standards continued**

Covid-19 related rent concession the same way it would account for the change under AASB 16, if the change were not a lease modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the period of application of the practical expedient was extended to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

#### **Future Australian Accounting Standards**

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on the union include:

#### **AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 *Presentation of Financial Statements* to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

The reporting unit does/does not expect the adoption of this amendment to have a material impact on its financial statements.

(c) **Significant accounting judgments and estimates**

No significant estimates and judgements were required during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

(d) **Revenue and other income**

The union enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

#### **Revenue from contracts with customers**

Where the union has a contract with a customer, the union recognises revenue when or as it transfers control of goods or services to the customer. The union accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

## Health Services Union, Tasmania Branch

# Notes to the Financial Statements

## For the Year Ended 30 June 2023

### 1 Summary of Significant Accounting Policies continued

#### (d) Revenue and other income continued

##### Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the union.

If there is only one distinct membership service promised in the arrangement, union recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the union's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, union allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the union charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the union recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the union has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the union at their standalone selling price, the union accounts for those sales as a separate contract with a customer.

##### Income of the Union as a Not-for-Profit Entity

Consideration is received by the union to enable the entity to further its objectives. the union recognises each of these amounts of consideration as income when the consideration is received (which is when the union obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the union's recognition of the cash contribution does not give rise to any related liabilities.

The union receives cash consideration from the following arrangements whereby that consideration is recognised as income upon receipt:

- donations and voluntary contributions from members (including whip arounds); and
- government grants.

##### Interest revenue

Interest is recognised using the effective interest method.

##### Rental income

Leases in which the union, as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-



## Health Services Union, Tasmania Branch

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 1 Summary of Significant Accounting Policies continued

##### (d) Revenue and other income continued

###### Interest revenue continued

line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

##### (e) Income Tax

The union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997.

##### (f) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

##### (g) Property, Plant and Equipment

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

###### Land and buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

###### Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the asset's useful life to the Association, commencing when the asset is ready for use.

Leased assets and leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Land & Buildings	Not depreciated
Plant and Equipment	0 - 5 years

## Notes to the Financial Statements For the Year Ended 30 June 2023

### 1 Summary of Significant Accounting Policies continued

#### (g) Property, Plant and Equipment continued

Fixed asset class	Useful life
Furniture and Fittings	0 - 5 years
Motor Vehicles	5 - 8 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

#### Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

#### (h) Financial instruments

##### Initial recognition and measurement

Financial instruments are recognised initially on the date that the Association becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

##### Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

##### *Classification*

On initial recognition, the Association classifies its financial assets into the following categories, those measured at:

- amortised cost
- fair value through profit or loss - FVTPL
- fair value through other comprehensive income - equity instrument (FVOCI - equity)
- fair value through other comprehensive income - debt investments (FVOCI - debt)

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets.

##### *Amortised cost*

The Association's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate

## Health Services Union, Tasmania Branch

# Notes to the Financial Statements

## For the Year Ended 30 June 2023

### 1 Summary of Significant Accounting Policies continued

#### (h) Financial instruments continued

##### Financial assets continued

method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

##### *Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost
- debt investments measured at FVOCI

The Association uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

##### Financial liabilities

The Association measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Association comprise trade payables, bank and other loans and lease liabilities.

#### (i) Impairment of non-financial assets

At the end of each reporting period the Association determines whether there is evidence of an impairment indicator for non-financial assets. Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if *the union* were deprived of the asset, its recoverable amount is its fair value.

#### (j) Intangible assets

##### Software

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The useful life of the union's intangible assets are:

Software	3 to 10 years
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Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 1 Summary of Significant Accounting Policies continued

##### (j) Intangible assets continued

###### Software continued

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

###### SaaS arrangements

SaaS arrangements are software product offerings in which the union does not control the underlying software used in the arrangement. Where costs incurred to configure or customise a SaaS arrangement result in the creation of a resource which is identifiable, and where the union has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation period is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, the union recognises those costs as an expense when the supplier provides the services. However, the union recognises those costs as a prepayment if, and to the extent that, the supplier performing the configuration and customisation activities is the vendor of the SaaS product (or an agent of the vendor) and those activities do not represent a distinct service in addition to the SaaS access. This is because, in that circumstance, the union cannot separately benefit from the configuration and customisation activities and instead those activities are set up activities performed by the SaaS vendor so that it can provide the SaaS access to the union.

Previously some SaaS -related costs had been capitalised and amortised over its useful life. In the process of applying the union's accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made the following judgements:

- Determining whether cloud computing arrangements contain a software licence intangible asset
  - ◆ the union evaluates cloud computing arrangements to determine if it provides a resource that the union can control. the union determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:
    - the union has the contractual right to take possession of the software during the hosting period without significant penalty.
    - It is feasible for the the union to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.
- Capitalisation of configuration and customisation costs in SaaS arrangements
  - ◆ Where the union incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance on-premise software that belongs to the union or to provide code that can be used by the union in other arrangements, the union applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138 Intangible Assets (AASB 138).

###### Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

## Health Services Union, Tasmania Branch

# Notes to the Financial Statements

## For the Year Ended 30 June 2023

### 1 Summary of Significant Accounting Policies continued

#### (k) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand and deposits held at call with banks.

For the purposes of the statement of cash flows, because all transactions of the entity have been in cash, the cash flow from operations is identical to the net profit, and so reconciliation is not necessary.

#### (l) Employee benefits

Provision is made for the Association's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than twelve months after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows. Changes in the measurement of the liability are recognised in profit or loss.

Employee benefits are presented as current liabilities in the statement of financial position if the Association does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date regardless of the classification of the liability for measurement purposes under AASB 119.

#### (m) Liabilities relating to contracts with customers

##### Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the union transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the union performs under the contract (i.e. transfers control of the related goods or services to the customer).

##### Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The union's refund liabilities arise from customers' right of return. The liability is measured at the amount the union's ultimately expects it will have to return to the customer. The union updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

#### (n) Fair value measurement

The union measures financial instruments, such as, financial assets as at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A *Financial assets and liabilities*.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

## Health Services Union, Tasmania Branch

# Notes to the Financial Statements

## For the Year Ended 30 June 2023

### 1 Summary of Significant Accounting Policies continued

#### (n) Fair value measurement continued

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the union determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### (o) Current versus non-current classification

The union presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 1 Summary of Significant Accounting Policies continued

##### (o) Current versus non-current classification continued

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The union classifies all other liabilities as non-current.

##### (p) Contingent liabilities and contingent assets

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**2 Revenue and Other Income**

**(a) Other Income**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
- Management fees	38,411	31,150
- Movie ticket sales	10,844	16,861
- Discount card sales	390,968	388,787
- Promotional merchandise sales	73	78
- Payroll tax rebate via HSU National Office	13,128	-
- HSU National Office rebate on affiliation fees	-	26,101
- National Executive travel reimbursement	4,531	2,970
- Government paid parental leave	-	13,906
- Sponsorship and advertising income	14,098	12,756
- Other income	34,903	12,775
	<b>506,956</b>	<b>505,384</b>

**3 Expenses**

**(a) Employee expenses**

**Holders of office**

Wages and salaries	348,087	256,728
Leave and other entitlements	(56,447)	(38,863)
Superannuation contributions	53,943	38,621
Other employee expenses	31,114	22,503
	<b>376,697</b>	<b>278,989</b>

**Employees other than office-holders**

Wages and salaries	2,235,697	2,221,577
Leave and other entitlements	(6,257)	98,616
Superannuation contributions	411,804	399,366
Other employee expenses	150,139	148,863
	<b>2,791,383</b>	<b>2,868,422</b>

**Total employee expenses**

**3,168,080**      **3,147,411**

**(b) Capitation fees**

HSU National Office	187,463	174,960
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**(c) Affiliation fees**

Unions Tasmania	76,073	69,623
ACTU - paid via HSU National Office	52,999	55,810
Other	1,380	735
	<b>130,452</b>	<b>126,168</b>



**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**3 Expenses continued**  
**(d) Administration expenses**

	2023	2022
	\$	\$
Consideration to employers for payroll deductions	879	1,035
Conference and meeting expenses	59,332	49,537
Contractors/consultants	4,828	11,700
Property expenses	125,577	145,510
Office expenses	48,188	50,289
Information and communications technology expenses	189,007	226,978
Reportable fees and allowances	300	-
	<b>428,111</b>	<b>485,049</b>

**(e) Depreciation and amortisation**

Office equipment	21,974	29,807
Furniture and fixtures	10,086	7,673
Motor vehicles	33,583	32,250
Leasehold improvements	6,576	6,576
<b>Total Depreciation</b>	<b>72,219</b>	<b>76,306</b>
<b>Amortisation</b>		
Computer software - purchased	40,862	11,989
	<b>113,081</b>	<b>88,295</b>

**(f) Legal costs**

Litigation	10,776	9,164
Other legal matters	-	1,636
	<b>10,776</b>	<b>10,800</b>

**(g) Other expenses**

Insurance	207,840	184,471
Movie ticket purchases	10,885	17,831
Discount card purchases	391,090	388,905
Staff training	26,304	3,127
Delegate training	1,397	1,518
Other expenses	278,568	209,663
Other expenses to HSU National Office	15,657	-
	<b>931,741</b>	<b>805,515</b>

## Health Services Union, Tasmania Branch

### Notes to the Financial Statements For the Year Ended 30 June 2023

#### 4 Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	84,553	183,665
Deposits at call	1,551,328	1,146,560
	<u>1,635,881</u>	<u>1,330,225</u>

#### 5 Trade and other receivables

Trade receivables	-	202
Membership fees in arrears	6,081	3,286
Receivable from HSU National Office	15,691	12,648
	<u>21,772</u>	<u>16,136</u>

#### 6 Other assets

Gift cards and movie tickets	108,242	221,072
Prepayments - general	16,437	7,420
HSU National Office prepayment	60,246	58,860
Wages in advance	-	10,660
	<u>184,925</u>	<u>298,012</u>

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**7 Property, plant and equipment**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Land and buildings		
At fair value	<b>4,375,000</b>	4,311,144
Capital works in progress		
At cost	<b>74,509</b>	29,550
Furniture and fittings		
At cost	<b>138,297</b>	134,339
Accumulated depreciation	<b>(88,043)</b>	(77,958)
	<b>50,254</b>	56,381
Motor vehicles		
At cost	<b>365,153</b>	338,813
Accumulated depreciation	<b>(154,710)</b>	(164,162)
	<b>210,443</b>	174,651
Office equipment		
At cost	<b>234,398</b>	138,364
Accumulated depreciation	<b>(112,975)</b>	(91,002)
	<b>121,423</b>	47,362
Leasehold Improvements		
At cost	<b>49,744</b>	49,744
Accumulated depreciation	<b>(13,881)</b>	(7,305)
	<b>35,863</b>	42,439
Total plant and equipment	<b>492,492</b>	350,383
<b>Total property, plant and equipment</b>	<b>4,867,492</b>	4,661,527

Properties were valued in June 2023 by Opteon Property Group, accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment property is not considered to be different from its current use.

## Notes to the Financial Statements

For the Year Ended 30 June 2023

### 7 Property, plant and equipment continued Movements in carrying amounts of property, plant and equipment

	Capital Works in Progress	Land & Buildings	Furniture & Fittings	Motor Vehicles	Office Equipment	Improve- ments	Total
	\$	\$	\$	\$	\$	\$	\$
<b>Year ended 30 June 2023</b>							
Balance at the beginning of year	29,550	4,311,144	56,381	174,651	47,362	42,439	4,661,527
Additions	111,989	1,475	3,959	92,415	96,035	-	305,873
Disposals - written down value	-	-	-	(23,040)	-	-	(23,040)
Transfers to/(from) L&B	(67,030)	67,030	-	-	-	-	-
Depreciation expense	-	-	(10,086)	(33,583)	(21,974)	(6,576)	(72,219)
Revaluation	-	(4,649)	-	-	-	-	(4,649)
<b>Balance at the end of the year</b>	<b>74,509</b>	<b>4,375,000</b>	<b>50,254</b>	<b>210,443</b>	<b>121,423</b>	<b>35,863</b>	<b>4,867,492</b>
<b>Year ended 30 June 2022</b>							
Balance at the beginning of year	-	3,136,097	22,625	158,244	98,892	112,115	3,527,973
Additions	1,141,497	-	49,778	62,849	14,348	-	1,268,472
Disposals - written down value	-	-	(8,349)	(14,192)	(36,071)	-	(58,612)
Transfers	1,111,947)	1,175,047	-	-	-	(63,100)	-
Depreciation expense	-	-	(7,673)	(32,250)	(29,807)	(6,576)	(76,306)
<b>Balance at the end of the year</b>	<b>29,550</b>	<b>4,311,144</b>	<b>56,381</b>	<b>174,651</b>	<b>47,362</b>	<b>42,439</b>	<b>4,661,527</b>

**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**8 Trade and other payables**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Trade payables	-	13,121
Deposits	<b>545</b>	545
GST payable	<b>86,734</b>	82,381
Employee benefits	<b>67,986</b>	66,193
	<b>155,265</b>	162,240

**9 Deferred Income**

Membership fees in advance	<b>3,106</b>	972
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**10 Employee Benefits**

**Office holders**

Annual leave	<b>33,258</b>	76,231
Long service leave	<b>30,032</b>	48,668
	<b>63,290</b>	124,899

**Employees other than office holders**

Annual leave	<b>372,633</b>	344,323
Long service leave		
- Current	<b>93,528</b>	158,807
- Non-current	<b>190,764</b>	154,889
- Long service leave	<b>284,292</b>	313,696
	<b>656,925</b>	658,019

**Total employee benefits**

Current	<b>529,450</b>	628,029
Non-current	<b>190,764</b>	154,889
	<b>720,214</b>	782,918

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 11 Financial Risk Management

The union's financial instruments consist of deposits with banks, receivables and payables. The totals for each category of financial instrument, as detailed in Note 1, are:

	2023	2022
	\$	\$
<b>Financial assets at amortised cost</b>		
Cash and cash equivalents	1,635,881	1,330,225
Trade and other receivables	21,771	16,136
<b>Total financial assets</b>	<b>1,657,652</b>	<b>1,346,361</b>
<b>Financial liabilities at amortised cost</b>		
Trade and other payables	155,262	162,240
<b>Total financial liabilities</b>	<b>155,262</b>	<b>162,240</b>

#### Objectives, policies and processes

Risk management is carried out by the Association's the Committee of Management. The committee has primary responsibility for the development of relevant policies and procedures to mitigate the risk exposure of the Association. The committee's overall risk management strategy seeks to ensure that the union meets its financial targets whilst minimising potential adverse effects of cash flow shortfalls.

Reports are presented at each Board meeting regarding the implementation of these policies and any risk exposure which the Risk Management Committee believes the Board should be aware of.

Specific information regarding the mitigation of each financial risk to which the Association is exposed is provided below.

#### Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Association.

Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposure to wholesale and retail customers, including outstanding receivables and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### Trade receivables

The Association has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Committee of Management receives monthly reports summarising the turnover, trade receivables balance and aging profile of customers analysed by industry sector as well as a list of customers currently transacting on a prepayment basis or who have balances in excess of their credit limits.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

**Notes to the Financial Statements**  
**For the Year Ended 30 June 2023**

**11 Financial Risk Management continued**

**Credit risk continued**

The Association has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

**Liquidity risk**

Liquidity risk arises from the Association's management of working capital. It is the risk that the Association will encounter difficulty in meeting its financial obligations as they fall due.

The Association's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Association maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by the ability to liquidate long-term financial assets.

At the reporting date, the the Association expects to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The table below reflects the undiscounted contractual maturity analysis for non-derivative financial liabilities.

	Weighted average		Within 1 Year		Later than 1 year		Total	
	Interest rate		2023	2022	2023	2022	2023	2022
	2023	2022	2023	2022	2023	2022	2023	2022
	%	%	\$	\$	\$	\$	\$	\$
<b>Financial liabilities due for payment</b>								
Trade and other payables	-	-	-	162,240	-	-	-	162,240
<b>Total contractual outflows</b>	-	-	-	162,240	-	-	-	<b>162,240</b>

The timing of expected outflows is not expected to be materially different from contracted cashflows.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

*(i) Interest rate risk*

The Association is exposed to interest rate risk as future changes in interest rates will affect future cash flows and/or the fair value of fixed rate financial instruments. The Association's policy is to minimise interest rate risk exposures by maintaining a relatively short term to maturity on term deposits. There is no exposure to interest rate risk through financial liabilities, as trade and other payables are non-interest bearing.

## Notes to the Financial Statements

### For the Year Ended 30 June 2023

#### 11 Financial Risk Management continued

##### (ii) Other Price risk

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held being available-for-sale or fair value through profit and loss.

The Association's exposure to other price risk is negligible, due to the limited nature of its financial instruments.

The fair value of all financial assets and financial liabilities as presented in the statement of financial position is representative of their fair value.

#### 12 Key Management Personnel

##### (a) Totals of remuneration paid to KMP

The remuneration paid to key management personnel of Health Services Union, Tasmania Branch during the year is as follows:

	2023	2022
	\$	\$
<b>Short-term employee benefits</b>		
Wages and salaries	352,773	256,728
Annual leave accrued	(29,933)	2,367
Other employee expenses	5,153	1,250
	<b>327,993</b>	260,345
<b>Post-employment benefits</b>		
Superannuation contributions	56,258	40,923
<b>Long-term benefits</b>		
Long service leave accrued	(15,352)	5,731
<b>Non-cash benefits</b>		
Private use of motor vehicle	19,877	18,699
	<b>388,776</b>	325,698

##### (b) Other transactions with KMP and their close family members

The wife of KMP Timothy Jacobson, Tammy Munro, is employed by the union as a Lead Organiser. Timothy Jacobson was not involved in the employment of Tammy Munro. Remuneration paid to Tammy Munro is in accordance with the Employment Agreement applicable to all employees of the union, commensurate with the duties and responsibilities of the role.

#### 13 Auditors' Remuneration

Remuneration of audit firm Synectic Audit & Assurance for:

- financial statement audit services	15,675	14,250
<b>Total</b>	<b>15,675</b>	<b>14,250</b>



## Health Services Union, Tasmania Branch

### Notes to the Financial Statements

For the Year Ended 30 June 2023

#### 14 Related Party Transactions

The union entered into transactions with 71 Elphin Road Pty Ltd, of which Timothy Jacobson and Christopher Webb are the only directors and shareholders. These office holders of the union are involved with this company for the benefit of the reporting entity and its members.

All transactions entered into are made on terms equivalent to those that prevail in arms' length transactions of a similar nature.

	2023	2022
	\$	\$
<b>Revenue received</b>		
Fees received for management of rental properties from 71 Elphin Road Pty Ltd	38,411	31,150
<b>Expenses paid</b>		
Rental property expenses in relation to rental properties owned by 71 Elphin Road Pty Ltd, offset against above management fees	36,351	27,988

#### 15 Contingencies

In the opinion of the Committee of Management, the Association did not have any contingencies at 30 June 2023 (30 June 2022:None).

#### 16 Events Occurring After the Reporting Date

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Association, the results of those operations or the state of affairs of the Association in subsequent financial periods.

#### 17 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

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

**Notes to the Financial Statements**  
For the Year Ended 30 June 2023

**18 Cash Flow Information**

**(a) Reconciliation of cash to statement of financial position**

	<b>2023</b>	<b>2022</b>
	<b>\$</b>	<b>\$</b>
Statement of cash flows	<b>1,635,881</b>	1,330,225
Statement of financial position	<b>1,635,881</b>	1,330,225

**(b) Reconciliation of result for the year to cashflows from operating activities**

Net surplus	<b>462,839</b>	326,395
Non-cash flows in profit:		
Depreciation and amortisation expense	<b>113,080</b>	88,296
Gain on disposal of assets	<b>(6,415)</b>	-
Loss on disposal of assets	-	44,356
Changes in assets and liabilities:		
Trade and other receivables	<b>(5,636)</b>	(5,127)
Other assets	<b>113,087</b>	(64,981)
Trade and other payables	<b>(6,978)</b>	(60,311)
Deferred income	<b>2,134</b>	(4,474)
Employee benefits	<b>(62,704)</b>	15,825
Cashflows from operations	<b>609,407</b>	339,979

**(c) Cash flow information - other reporting units**

**Cash inflows**

HSU National Office rebate on affiliation fees	<b>15,069</b>	8,623
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**Cash outflows**

HSU National Office	<b>(284,950)</b>	(245,247)
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## Health Services Union, Tasmania Branch

### Officer Declaration Statement

I, Robert Moore, being the Branch Secretary of the Health Services Union, Tasmania Branch, declare that the following activities did not occur during the reporting period ending 30 June 2023:

Health Services Union, Tasmania Branch did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay separation and redundancy to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office

**Health Services Union, Tasmania Branch**

**Officer Declaration Statement**

- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:  .....

Dated: 20 September 2023

# Independent Auditor's Report

To the Members of Health Services Union, Tasmania Branch

## Report on the Audit of the Financial Report

### Opinion

I have audited the financial report of Health Services Union of Australia (Tasmania Branch) (the reporting unit), which comprises the statement of financial position as at 30 June 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Health Services Union of Australia (Tasmania Branch) as at 30 June 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of my report. I am independent of the reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### Information Other than the Financial Report and Auditor's Report Thereon

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Responsibilities of Committee of Management for the Financial Report**

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

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

As part of an audit in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material

uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during our audit.

I declare that I am an auditor registered under the RO Act.



**Synectic Audit & Assurance Pty Ltd**



Benjamin Coull  
**Director**

Date: 20 September 2023

*Registration number (as registered under the RO Act): AA2018/5*