Fair Work Commission

22 October 2026

Jake McGuinness
Branch Secretary
Health Services Union-Victoria No. 1 Branch
Sent via email: Jake.McGuinness@hwu.org.au
CC: info@nexiamelbourne.com.au

Dear Jake McGuinness

Health Services Union-Victoria No. 1 Branch
Financial Report for the year ended 30 June 2025 – (FR2025/141)

I acknowledge receipt of the amended financial report for the year ended 30 June 2025 for the Health Services Union-Victoria No.1 Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 9 October 2026 addressing the issues raised in our letter dated 12 March 2026.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these matters have been addressed prior to filing next year's report.

Going Concern

As raised in our letter dated 12 March 2026, the Commission has concerns about the reporting unit's ability to continue as a going concern. Based on discussions with the reporting unit, the Commission understands that strategies have been implemented during the 2026 financial year which has improved the reporting unit's financial position and performance. This is a positive development; however, the Commission will continue to monitor the reporting unit's going concern.

Inconsistency in disclosures

Note 4I *Write-down and impairment of assets* discloses write-down and impairment of land and building of $287,582 and plant and equipment of $167,063 for 2025. These figures do not reconcile with the impairment of land and building and plant and equipment of $553,600 for the 2025 financial year in Note *6A Property, Plant and Equipment*.

Please ensure that in next year's financial report, the comparative figures of asset write-downs and impairments in the notes to financial statements are consistently disclosed.

Reporting Requirements

The Commission website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

The Commission recommends that reporting units use these model financial statements to assist in complying with the *Fair Work (Registered Organisations) Act 2009* (RO Act), the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Fair Work Commission

Health Services Union Victoria No 1 Branch

Section 268 *Fair Work (Registered Organisations) Act 2009*

Certificate by prescribed designated officer

Certificate for the year ended 30 June 2025

I Jake McGuinness being the Secretary of the Health Services Union Victoria No 1 Branch certify:

- that the documents lodged herewith are copies of the full report for the Health Services Union Victoria No 1 Branch for the period ended referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 9 October 2026;

Signature of prescribed designated officer:	[redacted]
Name of prescribed designated officer:	Jake McGuinness
Title of prescribed designated officer:	Secretary
Dated:	9 October 2026

Health Services Union Victoria No 1 Branch

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Independent Auditor's Report to the Members of the Health Services Union Victoria No 1 Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Health Services Union Victoria No 1 Branch (the reporting unit), which comprises the statement of financial position as at 30th June 2025, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30th June 2025, notes to the financial statements, including material accounting policy information, 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 the Health Services Union Victoria No 1 Branch as at 30th June 2025, 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.

Emphasis of Matter – Going Concern

I draw attention to Note 1.2 in the financial statements, which describes management's assessment of the Branch's ability to continue as a going concern. While management has implemented plans to improve liquidity and financial performance, these plans are subject to significant execution risk. Accordingly, a material uncertainty exists that may cast doubt on the Branch's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Emphasis of Matter – Restatement of Comparative Information

I draw attention to Note 1.20 of the financial statements, which describes the restatement of comparative information following the correction of prior period errors in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The comparative figures for the year ended 31st December 2024 have been restated accordingly. My opinion is not modified in respect of this matter.

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

The Administrator 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 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 the financial report.

As part of an audit in accordance with the 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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. 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 my audit.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter because, in my opinion, it has been appropriately addressed by the reporting unit and is not considered material in the context of the audit of the financial report as a whole:

a) meetings of the committee of management were not held in accordance with the rules of the organisation including the rules of a branch concerned for reasons including that the offices on the committee of management were vacated by way of court order, and

the scheme of administration ordered by the court operates and applies to the reporting unit notwithstanding anything in the rules; and

b) the financial affairs of the reporting unit were not managed in accordance with the rules of the organisation including the rules of a branch concerned for reasons including that the offices on the committee of management were vacated by way of court order, and the scheme of administration ordered by the court operates and applies to the reporting unit notwithstanding anything in the rules; and

c) the financial records of the reporting unit may not have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* for reasons including that significant financial information of the reporting unit appears to have been irretrievably deleted.





Nexia Melbourne Audit Pty Ltd

Melbourne

2nd October 2026

Andrew Wehrens

Director

Registration number (as registered by the Commissioner under the RO Act): AA2017/56

Holder of a Current Certificate of Public Practice – CAANZ Member Number 79117

Health Services Union Victoria No 1 Branch

Expenditure report required under subsection 255(2A)

for the year ended 30 June 2025

The administrator presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2025.

Remuneration and other employment-related costs and expenses – employees	4,701,196	3,740,660
Advertising	2,963	9,800
Operating costs	2,707,788	3,120,772
Donations to political parties	–	–
Legal costs	1,054,027	339,078

Signature of designated officer: [redacted]

Name and title of designated officer: Jake McGuinness Secretary

Dated: 2 October 2026

Health Services Union Victoria No 1 Branch

Operating report

for the year ended 30 June 2025

The committee of management presents its operating report on the reporting unit for the year ended 30 June 2025.

Principal Activities

The principal activities of the Health Services Union Victoria No 1 Branch (HWU) during the period were to provide representation and support to its members.

Significant changes in financial affairs

On 23 December 2024 the Federal Court of Australia appointed Mr. Charlie Donnelly Interim Administrator to the HWU to exercise such powers and duties of the HWU Branch Committee, the HWU Branch Officers and the HWU Branch Finance Committee which were conferred on those bodies and those officers by the Rules and the Fair Work Act. On 25 June 2025 the Federal Court of Australia declared that the HWU had ceased to function effectively and there were no effective means under the rules of the organisation by which it can be enabled to function effectively. Furthermore, pursuant to section 323(2) of the Fair Work (Registered Organisations) Act 2009 (Cth), a scheme was approved to enable the HWU to function effectively with Mr Charlie Donnelly appointed Administrator of the HWU with identified officers vacated. Since the appointment of the Interim Administrator and Administrator several budgetary measures have been introduced to curtail expenditure not in the interest of HWU members.

Bound by order of the Federal Court of Australia VID 917/2024, the Branch was obligated to pay the legal cost of D Asmar. The interim administrator took over on 23/12/2024 when the Branch finances were in bad shape, specifically legal expenses and the debt to the Australia Taxation Office (ATO) were significantly increased in the period prior to the Branch moving into Interim Administration and financial accruals were not reported accurately.

The total trade and other payables have increased significantly, primarily due to the increase in legal expense payable ($1,054,027; FY2024: $339,078) and the ATO balance ($920,664; FY2024: $381,475).

Legal expenses increased by 220%

Prior to the Branch, under the Federal Court of Australia's decision, going into Interim Administration, the Branch incurred large legal expenses. The legal expenses at the time of Interim Administration were $874,762.

After going into Administration there were additional legal expenses incurred in connection with Federal Court proceeding VID917/2024.

ATO debt increased by 141%

This increase was due to increase expenditure for the Branch prior to moving into administration. The ATO debt at 23 December 2024 when the Branch moved into Administration was $753,280.

Employee expenses increased by 25%

The increase in employee expenses compared to the prior year was primarily driven by higher leave utilisation (specifically personal leave), the unprovided leave balances, and additional costs arising from specific legal and administrative matters. During the period of interim administration,

the Branch incurred $50,000 in additional wage payments to D Asmar in connection with Federal Court proceeding VID917/2024, along with associated Administrator remuneration.

Employee provisions reported prior to FY2025 were not accurately measured. As it was impracticable to reliably restate prior period amounts, the adjustment has been recognised as at 30 June 2025.
In July 2024, the Secretary approved an increase in annual leave entitlements of one additional week per annum for all employees. This change was applied retrospectively for three years, resulting in an additional increase in the employee annual leave provisions balance.
In addition, on-costs associated with employee provisions were recognised in FY2025; these had not been included in prior periods.

Finance costs increase
Finance costs increased in FY 2025 due to the prior year financial reports incorrectly reporting the building loan and the ATO general interest charge.

The building loan with C & C Capital is an interest only loan maturing yearly, it was incorrectly recorded as a principal and interest loan in the FY 2024 accounts, rather than an interest only loan. The amount on the balance sheet needed to be increased to reflect the loan amount and the additional expense needed to be recorded as interest.

The ATO general interest charge was not recorded in the FY 2024 accounts, in the FY 2025 accounts the ATO balance was reconciled and the interest expensed, which increased finance costs.

Review of results
During the current year, the Branch generated a total comprehensive deficit of $2,051,596 (2024: deficit of $826,946). Excluding depreciation (a non-cash item). The primary objective of the Branch during 2025 has been to provide members with ongoing appropriate representation and we believe this has been achieved. During the year significant legal costs relating to the former Branch Secretary and Branch Committee of Management were incurred. Organising and service activities will continue to be the focus for the balance of 2025, and we are confident we will continue to develop the Branch's operations for the benefit of all members.

Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme
No officer, or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member or an organisation.

Right of members to resign
As per section 174 of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Number of members
As at 30 June 2025, the number of members of the organisation recorded in the register of members was 13,018 (2024: 18,233).

Number of employees
As at 30 June 2025, the number of full-time equivalent employees was 28.7 (2024: 29.12).

Names of committee of management members and period positions held during the financial year

The Committee of Management members during the year and up until the date of this report were as follows: -

Members from 1 July 2024 to 24 December 2024:

D Eden	R Barclay	S Jacks
D Asmar	V Mitchell	N Katsis
D Stratton	A Hargreaves	L Fisher
K Vasiliadis	L Atkinson	A Ioanidis
S Stone	T Legassick	D McCullum

From 23 December 2024 to 30 June 2025:

C Donnelly, Interim Administrator/Administrator, exercised such powers & duties of the Committee of Management.

Future Developments

In the opinion of the Administrator, there is not likely to be any future development that will materially affect the Branch's operation in subsequent years.

Manner of Resignation

Members may resign from the Branch in accordance with the rules, which read as follows:

Resignation of Members

a. A Member may resign from the Branch by written notice addressed and delivered to the Secretary.
b. A notice of resignation from membership of the Branch takes effect:
   i. at the end of two weeks after the notice is received by the Branch; or
   ii. on the day specified in the notice; whichever is later.
c. Any dues payable but not paid by a former Member of the Branch in relation to a period before the Member's resignation from the Branch took effect, may be sued for and recovered in the name of the Branch, in a court of competent jurisdiction, as a debt due to the Branch.
d. A notice delivered to the person mentioned in sub-rule (1) shall be taken to have been received by the Branch when it was delivered.
e. A notice of resignation that has been received by the Branch is not invalid because it was not addressed and delivered in accordance with the rules.
f. A resignation from membership of the Branch is valid even if it is not affected in accordance with this section if the Member is informed in writing by or on behalf of the Branch that the resignation has been accepted.

Signature of designated officer: [redacted]

Name and title of designated officer: Jake McGuinness, Secretary

Dated: 2 October 2026

Health Services Union Victoria No 1 Branch

Committee of management statement

for the year ended 30 June 2025

On 29/09/2026 the Committee of Management of the Health Services Union Victoria No 1 Branch passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 30 June 2025:

The Committee of Management declares that in its option:

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 reporting unit for the financial year to which they relate;

d. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; 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 reporting unit 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 reporting unit have been kept and maintained in accordance with the RO Act; and

   iv. where the organisation consists of two or more reporting units, 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 the General Manager duly made under section 272 of the RO Act, that information has been provided to the member or the General Manager; 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: [redacted]

Name and title of designated officer: Jake McGuinness, Secretary

Dated: 2 October 2026

Health Services Union Victoria No 1 Branch

Statement of comprehensive income

for the year ended 30 June 2025

	Notes	**2025**	2024(restated)	2024
		$	$	$
Revenue from contracts with customers	3			
Membership subscriptions		**6,240,212**	6,383,318	6,726,059
Capitation fees and other revenue from another reporting unit	3A	**127,885**	-	-
Levies	3B	**-**	-	-
Total revenue from contracts with customers		**6,368,097**	6,383,318	6,726,059
Income for furthering objectives				
Grants and / or donations	3C	**30,091**	-	-
Income recognised from volunteer services	3D	**-**	-	-
Income recognised from transfers	3E	**-**	-	-
Total income for furthering objectives		**30,091**	-	-
Other income				
Investment Income	3H	**3**	16	16
Net gains from sale of assets	3F	**-**	-	-
Other income	3J	**16,186**	30	31
Total other income		**16,189**	46	47
Total income		**6,414,377**	6,383,364	6,726,106
Expenses				
Employee expenses	4A	**(4,701,196)**	(3,740,660)	(3,569,317)
Capitation fees to another reporting unit	4B	**(370,677)**	(329,319)	(329,319)
Affiliation fees	4C	**(293,685)**	(279,274)	(279,274)
Administration expenses	4D	**(999,210)**	(1,744,850)	(1,861,735)
Grants or donations	4E	**-**	-	-
Depreciation and amortisation	4F	**(184,973)**	(101,055)	(168,366)
Finance costs	4G	**(374,558)**	(55,812)	(42,959)
Legal costs	4H	**(1,054,027)**	(339,078)	(339,078)
Write-down and impairment of assets	4I	**(454,645)**	(544,158)	-
Net losses from sale of assets	4J	**-**	(56,104)	(55,805)
Other expenses	4K	**-**	-	-
Audit fees	14	**(33,000)**	(20,000)	(20,000)
Total expenses		**(8,465,974)**	(7,210,310)	(6,665,853)
Surplus / (deficit) for the year		**(2,051,596)**	(826,946)	60,253
Other comprehensive income		**-**	-	-
Total comprehensive income for the year		**(2,051,596)**	(826,946)	60,253

The above statement should be read in conjunction with the notes.

Health Services Union Victoria No 1 Branch

Statement of financial position

as at 30 June 2025

	Notes	**2025** $	2024(restated) $	2024 $
ASSETS				
Current assets				
Cash and cash equivalents	5A	**140,632**	66,523	66,523
Trade and other receivables	5B	**603,449**	640,566	865,565
Inventory	5C	**-**	-	627,027
Other current assets	5D	**42,224**	49,316	49,316
Total current assets		**786,305**	756,405	1,608,431
Non-current assets				
Property, plant and equipment	6A	**1,964,410**	2,511,702	2,625,411
Intangibles	6B	**156,985**	113,411	-
Total non-current assets		**2,121,395**	2,625,113	2,625,411
Total assets		**2,907,700**	3,381,518	4,233,842
LIABILITIES				
Current liabilities				
Trade payables	7A	**308,003**	169,594	172,435
Other payables	7B	**1,651,160**	633,841	596,121
Employee provisions	8A	**1,118,519**	516,121	516,121
Contract liabilities		**-**	-	-
Other current liabilities		**698,389**	288,161	288,161
Total current liabilities		**3,776,071**	1,607,718	1,572,844
Non-current liabilities				
Employee provisions	8A	**13,026**	139,987	139,987
Contract liabilities	5B	-	-	-
Lease liabilities	6E	**-**	-	-
Other non-current liabilities	9A	**218,437**	682,052	682,052
Total non-current liabilities		**231,464**	822,039	822,039
Total liabilities		**4,007,535**	2,429,757	2,394,883
Net assets		**(1,099,835)**	951,761	1,838,959
EQUITY				
General funds / retained earnings		**(1,099,835)**	951,761	1,838,959
Total equity		**(1,099,835)**	951,761	1,838,959

The above statement should be read in conjunction with the notes.

Health Services Union Victoria No 1 Branch

Statement of changes in equity

for the year ended 30 June 2025

	Notes	General funds / retained earnings $	Reserves $	Total equity $
Balance as at 1 July 2023		738,563	1,040,144	1,778,707
Surplus / (deficit) for the year		(826,946)	-	(826,946)
Movement in the year – Asset Revaluation Reserve		1,040,144	(1,040,144)	-
Closing balance as at 30 June 2024		**951,761**	**-**	**951,761**
Surplus / (deficit) for the year		(2,051,596)	-	(2,051,596)
Closing balance as at 30 June 2025		**(1,099,835)**	**-**	**(1,099,835)**

The above statement should be read in conjunction with the notes.

Statement of cash flows

for the year ended 30 June 2025

	Notes	2025 $	2024 $
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		**6,277,329**	6,330,738
Donations and Grants		**30,091**	-
Receipts from other reporting unit / controlled entity(s)	11B	**127,885**	-
Interest		**3**	16
Other		**16,186**	30
Cash used			
Payment to employees		**(4,225,759)**	(3,768,544)
Payment to suppliers		**(1,081,635)**	(2,380,896)
Interest payments and other finance costs	4G	**(374,558)**	(55,812)
Payment to other reporting units / controlled entity(s)	11B	**(506,144)**	(453,013)
Net cash from / (used by) operating activities	11A	**263,398**	(327,481)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	356,913
Proceeds from sale of land and buildings		-	1,950,000
Other		-	-
Cash used			
Purchase of plant and equipment		**(69,571)**	(486,669)
Purchase of land and buildings		**(15,822)**	(1,793,500)
Other		**(50,507)**	(113,411)-
Net cash from / (used by) investing activities		**(135,900)**	(86,667)
FINANCING ACTIVITIES			
Cash received			
Contributed funds		-	-
Other		-	361,146
Cash used			
Repayment of lease liabilities		-	-
Other		**(53,389)**	-
Net cash from / (used by) financing activities		**(53,389)**	361,146
Net increase / (decrease) in cash held		**74,109**	(53,002)
Cash & cash equivalents at the beginning of the reporting period		**66,523**	119,525
Cash & cash equivalents at the end of the reporting period	5A	**140,632**	66,523

The above statement should be read in conjunction with the notes.

Health Services Union Victoria No 1 Branch

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Notes of the Financial Statements

for the year ended 30 June 2025

Note 1 Material accounting policies

1.1 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. For the purpose of preparing the general-purpose financial statements, the Branch is a 'not for profit' entity.

The financial report covers the Branch as an individual reporting unit.

1.2 Going Concern

The financial statements have been prepared on a going concern basis. In making this assessment, management has considered all available information about the future, including the Branch's current financial position, operating results, and cash flow forecasts. Based on this assessment, management believes the Branch is able to pay its debts as and when they fall due.

The Health Services Union of Australia Victoria No 1 Branch is a branch of the National Health Services Union and is able to be supported by the remainder of the Union should the need arise, noting this has never been required.

However, the Branch's ability to continue as a going concern is dependent on the successful implementation of management's plans to improve liquidity and financial performance. These conditions indicate the existence of a material uncertainty that may cast significant doubt on the Branch's ability to continue as a going concern. The financial statements do not include any adjustments that may be necessary if the Branch is unable to continue as a going concern.

1.3 Comparative amounts

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, 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.

1.4 Significant accounting judgements and estimates

There have not been any material assumptions or estimates that have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.5 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

No accounting standard has been adopted earlier than the application date stated in the standard.

The amendments are not expected to have a material impact of the Health Services Union Victoria No 1 Branch.

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

Health Services Union Victoria No 1 Branch did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act or a restructure of the branches of the organisation or a determination by the General Manager of the Fair Work Commission under subsections 245(1) of the RO Act or a revocation by the General Manager of the Fair Work Commission under subsection 249(1) of the RO Act.

1.7 Income Tax

The Branch is registered under the Fair Work (Registered Organisations) Act 2009 and is believed to be exempt from income tax including capital gains tax, by virtue of the provisions of s.50-1 of the Income Tax Assessment Act 1997. It still has an obligation for fringe benefits tax and goods and services tax.

1.8 Property, Plant and Equipment

Property, plant and equipment are measured on a fair value basis. At each reporting date, the value of assets in this asset class is reviewed to ensure that it does not differ materially from the asset's fair value at that date.

Depreciation

Depreciation is calculated on the prime cost and diminishing value methods and is brought to account over the estimated economic lives of all buildings, motor vehicles, equipment, furniture and fittings. Depreciation rates applied are:

	2025 & 2024
Buildings	2.5%
Motor Vehicles	15% - 25%
Furniture and Office Equipment	10% 40%
Fixtures and Fittings	10% - 40%

1.9 Employee Benefits

Short-term employee benefits

Provision is made for the Branch's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and vesting sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Branch’s obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employee's long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are also measured using the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Branch's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Branch does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Superannuation

Contributions are made by the Branch to employee superannuation funds and are expensed when incurred. The Branch is not obliged to contribute to these funds other than to meet its liabilities under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

The number of employees at the end of the period was 31 (2024: 31).

1.10 Revenue

The Branch 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 Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch 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.

Membership subscriptions

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

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

For member subscriptions paid annually in advance, the Branch 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 goods or services will transfer to the customer will be one year or less.

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

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Branch transfer the services.

In circumstances where the criteria for a contract with a customer are not met, the Branch will recognise levies as income upon receipt.

Income of the Branch as a Not-for-Profit Entity

Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the Branch obtains control) 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 Branch's recognition of the cash contribution does not give to any related liabilities.

During the year, the Branch did not receive cash consideration from the following arrangements whereby that consideration was recognised as income upon receipt:

- donations and voluntary contribution from members (including whip around); and government grants.

Volunteer services

During the year, the Branch received no volunteer services. In those circumstances where it does receive volunteer services and the fair value of the volunteer services can be measured reliably, the Branch recognises the fair value of volunteer services received as income together with a corresponding expense where the economic benefits of the volunteer services are consumed as the services are acquired. Where the volunteer services will contribute to the development of an asset, the fair value is included in the carrying amount of that asset.

Income recognised from transfers

Where, as part of an enforceable agreement, the Branch receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Branch's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time.

The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceedings and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

1.11 Goods and Services Tax (GST)

Revenue, 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 assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

1.12 Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank and investments in money market instruments.

1.13 Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Branch commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified as "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB15: Revenue from Contracts with Customers.

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB3: Business Combinations applies;
- held for trading; or
- initially designated as fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in the profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB3 applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Branch's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets;
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the profitability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB9:

- the general approach;
- the simplified approach;
  the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- If the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- If there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for the financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. delivery of its customer base, appropriate groupings of its historical loss experience, etc.).

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the Branch measures any change in lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meets its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Recognition of expected credit losses in financial statements

At each reporting date, the Branch recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

1.14 Trade and other receivables

Trade and other receivables are recognised initially at fair value and generally due for settlement within 30 days.

For trade receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

1.15 Trade and other payables

Trade payables and other accounts payable are recognised when the Branch becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.

1.16 Fair Value of Assets and Liabilities

Financial instruments are initially measured at cost on trade date, which includes the transaction costs, when the related contractual rights or obligations exist.

Subsequent to the initial recognition, the Administrator assesses whether there is objective evidence that a financial instrument has been impaired. A prolonged decline in the value of the instrument is

considered to determine whether an impairment has arisen, impairment losses are recognised In the Income Statement.

The Branch measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Branch would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective notes to the financial statements.

1.17 Leases

At inception of a contract, the Branch assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Branch where the Branch is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Branch uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Branch anticipates to exercise a purchase option, the specific asset is deprecated over the useful life of the underlying asset.

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Branch to further its objectives (commonly known as peppercorn/concessionary leases), the Branch has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

The Branch as Lessor

If the Branch leases floor space in their buildings to external parties, upon entering into each contract as a lessor, it assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (e.g. legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight- line basis over the life of the lease term.

1.18 Operating Segment

The Branch is incorporated under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia.

The Branch operates predominantly in one business and geographical segment, being a representative body of health services in Victoria, providing professional and member services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to award rates of and work practices to members of the Branch.

1.19 Critical Accounting Estimates and Judgements

The Administrator evaluates the critical accounting estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

Key Estimates - Impairment

The Branch assesses impairment at each reporting date by evaluating conditions specific to it that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and reflected in the financial report.

1.20 Correction of Prior Period Errors

During the year ended 30 June 2025, the Branch identified that amounts for inventory, trade receivables, trade payables, subscriptions and expenses had been misstated in the financial statements for the year ended 30 June 2024. These constituted material prior period errors as per AASB 108 that needed correction.

Nature of the Errors

An amount of inventory relating to donated gift packs from L'oreal had been incorrectly brought to account as inventory.

An amount in receivables had been incorrectly brought to account as revenue not in accordance with the Branches policy of recognising income.

Correction Method

In accordance with AASB 108.42(a)–(b), the errors have been corrected retrospectively—restating the comparative amounts for the 2024 period and adjusting the opening balance of retained earnings as at 1 July 2024.

Impact on Financial Statements

Line Item	Previously Reported 2024	Adjustments	Restated 2024
Current Assets	$1.608 million	-$0.852 million	$0.756 million
Current Liabilities	$1.573 million	+$0.035 million	$1.608 million
Surplus / (Deficit) for the year	$0.060 million	–$0.887 million	-$0.827 million
Retained Earnings (1 July 2024)	$1.839 million	–$0.887 million	$0.952 million

Description and Quantification

- The error correction reduced the operating surplus to a deficit by $0.887 million.
- Comparative figures for the 2024 year have been adjusted accordingly.

Opening Balance Adjustment

As per AASB 108.42(b), opening retained earnings for 1 July 2024 was decreased by $0.887 million to reflect the corrected cumulative error.

Additional restated comparative line items

Line item	Previously reported 2024	Adjustment	Restated 2024
Write-down and impairment of assets	-	(544,158)	(544,158)
Net losses from sale of assets	(55,805)	(299)	(56,104)
Property, plant and equipment	2,625,411	(113,709)	2,511,702
Intangibles	-	113,411	113,411
Trade payables	172,435	(2,841)	169,594

The above items have been included to clarify the line-by-line effect of the prior period error corrections on the comparative information, including fixed asset, intangible asset, impairment, disposal and trade payable balances.

Note 2 Events after the reporting period

Employee Entitlement Settlements

Subsequent to year end, between 1 July 2025 and 31 October 2025, the Branch processed several employee departures. As a result, the HWU made payments relating to employee entitlement provisions totalling approximately $678,679, which includes an ex-gratia payment of $16,923 to staff who resigned or were terminated during this period.

These events are considered non-adjusting subsequent events, as the related conditions did not exist at 30 June 2025. Accordingly, no adjustments have been made to the amounts recognised in the financial statements as at reporting date.

Management has reviewed the financial impact of these events and determined that they do not affect the Branch's ability to continue as a going concern. Following these settlements, the Branch expects an improvement in operational cashflows.

Other Subsequent Events

Other than the matters described above, no other subsequent events have occurred after the reporting date that require adjustment to, or disclosure in, the financial statements.

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Health Services Union Victoria No 1 Branch's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

Type of customer	**2025**	2024 (restated)	2024
	$	$	$
Members	**6,240,212**	6,383,318	6,726,059
Government	**-**	-	-
Other parties	**-**	-	-
Total revenue from contracts with customers	**6,240,212**	6,383,318	6,726,059

Note 3A: Capitation fees and other revenue from another reporting unit

Other revenue from another reporting unit			
During the year the year the National Office reimbursed the Branch for the Interim Administrator costs to 25th June 2025	**127,885**	-	-
Subtotal other revenue from another reporting unit	**127,885**	-	-
Total capitation fees and other revenue from another reporting unit	**127,885**	-	-

Note 3B: Levies

Levies	**-**	-	-
Total levies	**-**	-	-

Note 3C: Grants and/or donations

Grants	**-**	-	-
Donations	**30,091**	-	-
Total grants and donations	**30,091**	-	-

Note 3D: Net gains from sale of assets

Land and buildings	**-**	-	-
Plant and equipment	**-**	-	-
Intangibles	**-**	-	-
Other	**-**	-	-
Total net gain from sale of assets	**-**	-	-

Note 3G: Revenue from recovery of wages activity

Amounts recovered from employers in respect of wages	**-**	-	-
Interest received on recovered money	**-**	-	-
Total revenue from recovery of wages activity	**-**	-	-

Note 3H: Investment income

Interest:

	2025	2024 (restated)	2024
	$	$	$
Deposits	**3**	16	16
Total investment income	**3**	16	16

Note 3J: Other income

Insurance claim receipt	**15,349**	-	-
Other	**837**	30	31
Total other income	**16,186**	30	31

All revenue is sourced in Australia. There are no unsatisfied performance obligations.

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:			
Wages and salaries	**1,231,648**	763,366	763,366
Superannuation	**144,800**	77,884	77,884
Leave and other entitlements	**229,773**	(2,241)	(2,241)
Separation and redundancies	**-**	-	-
Other employee expenses	**54,867**	38,535	-
Subtotal employee expenses holders of office	**1,661,088**	877,544	839,009
Employees other than office holders:			
Wages and salaries	**2,370,467**	2,425,762	2,425,762
Superannuation	**236,023**	274,421	274,421
Leave and other entitlements	**243,870**	30,125	30,125
Separation and redundancies	**-**	-	-
Other employee expenses	**189,748**	132,807	-
Subtotal employee expenses employees other than office holders	**3,040,108**	2,863,115	2,730,308
Total employee expenses	**4,701,196**	3,740,660	3,569,317

The increase in employee expenses compared to the prior year was primarily driven by higher leave utilisation (specifically personal leave), incorrect leave provisions now rectified, and additional costs arising from specific legal and administrative matters. During the period of interim administration, the branch incurred $50,000 in additional wage payments to D Asmar in connection with Federal Court proceeding VID917/2024, along with associated administrator remuneration.

Note 4B: Capitation fees

Capitation Fees	**2025**	2024 (restated)	2024
	$	$	$
During the period, the Branch incurred to the National Office a per capita payment (capitation fees) calculated in accordance with the rules	**370,677**	329,319	329,319
Total capitation fees	**370,677**	329,319	329,319

Note 4C: Affiliation fees

Australian Labor Party	**95,314**	96,946	96,946
ACTU	**87,265**	99,473	99,473
Bendigo Trades Hall Council	**1,070**	2,003	2,003
Ballarat Regional Trade Council	**5,036**	4,850	4,850
Geelong Trades Hall Council	**6,028**	4,248	4,248
South-West Trades & Labour	**209**	-	-
Trades Hall Council	**98,763**	68,730	68,730
Sundry	**-**	3,024	3,024
Total affiliation fees/subscriptions	**293,685**	279,274	279,274

Note 4D: Administration expenses

Total paid to employers for payroll deductions of membership subscriptions	**1,229**	1,822	1,822
Compulsory levies	**-**	-	-
Fees/allowances - meeting and conferences	**11,600**	10,974	10,974
Conference and meeting expenses	**63,501**	6,923	6,923
Advertising	**2,963**	9,800	9,800
Accountants & Bookkeeping	**80,794**	40,234	40,234
Bank & Merchant Charges	**55,160**	60,432	60,432
Contractors/consultants	**27,183**	-	-
Property expenses	**42,776**	8,932	8,932
Office expenses	**85,199**	379,041	379,041
Information communications technology	**156,813**	275,891	275,891
Insurance Costs	**120,592**	72,172	72,172
Member services	**63,949**	27,180	27,180
Merchandise	**17,149**	318,514	318,514
Motor Vehicle Expenses	**123,071**	231,744	231,744
Staff & Visitor Amenities	**32,052**	76,519	76,519
Travel Expenses	**38,207**	100,784	100,784
Training Expenses	**5,373**	7,171	7,171
Other	**49,648**	91,791	208,676
Subtotal administration expense	**977,259**	1,719,924	1,836,809
Lease rentals:			
Short term, low value and variable lease payments	**21,951**	24,926	24,926
Total administration expenses	**999,210**	1,744,850	1,861,735

Note 4E: Grants or donations

	2025	2024 (restated)	2024
	$	$	$
Grants	**-**	-	-
Donations	**-**	-	-
Total grants or donations	**-**	-	-

Note 4F: Depreciation and amortisation

Depreciation			
Buildings	**-**	26,903	26,903
Property, plant and equipment	**178,040**	74,152	141,463
Total depreciation	**178,040**	101,055	168,366
Amortisation			
Intangibles	**6,933**	-	-
Total amortisation	**6,933**	-	-
Total depreciation and amortisation	**184,973**	101,055	168,366

Note 4G: Finance costs

	2025	2024 (restated)	2024
Overdrafts / loans	**374,558**	55,812	42,959
Unwinding of discount	**-**	-	-
Total finance costs	**374,558**	55,812	42,959

Finance costs increased mainly due to correcting the building loan from principal and interest to interest-only, including proper treatment of the $537K loan from Dec 2023 ($71,740 impact). Additional increases relate to previously un-expensed ATO GIC and under-recognised CEPUTEC loan interest in the prior year.

Note 4H: Legal costs

Litigation	**874,762**	261,948	261,948
Other legal costs	**179,265**	131,130	131,130
Total legal costs	**1,054,027**	339,078	339,078

Note 4I: Write-down and impairment of assets

Asset write-downs and impairments of:	**2025**	2024 (restated)	2024
Land and buildings	**287,582**	-	
Plant and equipment	**167,063**	-	-
Intangible assets	**-**	-	
Other	**-**	544,158	-
Total write-down and impairment of assets	**454,645**	544,158	-

Note 4J: Net losses from sale of assets

	2025	2024 (restated)	2024
	$	$	$
Land and buildings	**-**	-	-
Plant and equipment	**-**	56,104	55,805
Intangibles	**-**	-	
Total net losses from asset sales	**-**	56,104	55,805

Net losses from sale of assets are calculated as the net book value of assets disposed less proceeds received. Gross disposal amounts in Note 6A should therefore be read together with accumulated depreciation written back on disposal when reconciling to Note 4J and the statement of cash flows. The detailed FY2024 disposal schedule should be retained to support this reconciliation.

Note 4K: Other expenses

Penalties – via RO Act or the *Fair Work Act 2009*	**-**	-	-
Total other expenses	**-**		-

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	**140,386**	65,961	65,961
Cash on hand	**246**	562	562
Total cash and cash equivalents	**140,632**	66,523	66,523

Note 5B: Trade and other receivables

Receivables from other reporting unit			
National Office	**40,482**	24,288	**-**
Total receivables from other reporting unit	**40,482**	24,288	**-**
Less allowance for expected credit losses			
Total allowance for expected credit losses	**-**	-	-
Receivable from other reporting unit(s) (net)	**-**	-	-
Other receivables:			
GST receivable	**-**	-	-
Members	**550,074**	616,278	865,565
Other	**12,893**	-	-
Total other receivables	**603,449**	640,566	865,565
Total trade and other receivables (net)	**603,449**	640,566	865,565

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

	2025	2024 (restated)	2024
At 1 July 2024	**$**	$	$
Provision for expected credit losses	-	122,075	-
Write-off	-	(122,075)	-
At 30 June 2025	-	-	-

Health Services Union Victoria No 1 Branch has recognised the following assets and liabilities related to contracts with customers:

Receivables	**603,449**	640,566	865,565
Receivables – current	**603,449**	640,566	621,114
Receivables – non-current	-	-	244,451
Contract assets	-	-	-
Contract assets – current	-	-	-
Contract assets – non-current	-	-	-
Other contract liabilities	-	-	-
Contract liabilities – current	-	-	-
Contract liabilities – non-current	-	-	-

There is no significant concentration of credit risk with any single counterparty, and no collateral is held over receivable balances.

Receivables primarily comprise amounts due from customers for membership contributions. The carrying value of member receivables at year end was $590,556 (FY2024: $640,566). Certain prior-year amounts have been restated following the identification of overstatements in previously reported balances. No formal repayment terms are in place, however, classification reflects management's assessment of expected collection timeframes.

Management has assessed the collectability of outstanding trade debtors and determined that amounts overdue by more than 12 months are unlikely to be recovered. Accordingly, 100% of receivables aged between 1–2 years, totalling $122,075, have been fully provided for and are therefore not recognised within trade debtors.

The remaining trade debtors are considered recoverable based on historical payment patterns and the strength of ongoing member relationships.

No bad debts were written off during the current year, other than amounts that had already been fully provided for in prior periods.

The comparative year expected credit loss movement represents receivables assessed as unlikely to be recovered and subsequently written off against the allowance. The provision and write-off movement resulted in a nil closing allowance for expected credit losses.

To improve the recoverability of unpaid membership subscriptions, the branch has increased the number of contact centre employees to enhance member engagement and follow-up processes. This includes more frequent and proactive communication with members regarding their membership status through multiple channels, including phone calls, emails, and text messages.

Note 5C: Inventory

	2025	2024 Restated	2024
Current	**$**	$	$
Stock on hand			
Held for distribution	-	-	627,027
Total current inventories	-	-	627,027
Non-current			
Held for distribution	-	-	-
Total non-current inventories	-	-	-
Total inventories	-	-	627,027

During the 2024 year, inventory with a gross carrying amount of $627,027 was written off. The amount recognised in write-down and impairment of assets in Note 4I was $544,158 after a separate $82,869 ATO interest adjustment.

Note 5D: Other current assets

Merchandise and Stationery - at cost	-	-	-
Prepayments	**42,224**	49,316	49,316
Total other current assets	**42,224**	49,316	49,316

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2025

	Land	Buildings	Plant and Equipment	Total
	$	$	$	$
Property, Plant and Equipment:				
carrying amount	-	1,450,000	834,291	2,284,291
accumulated depreciation	-	-	(319,880)	(319,880)
Total Property, Plant and Equipment	**-**	**1,450,000**	**514,411**	**1,964,410**

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 July 2024	-	1,766,597	745,105	2,511,702
Additions:				
By purchase	-	15,822	69,571	85,393
Revaluations	-	(359,322)	-	(359,322)
Impairments	-		(553,600)	(553,600)
Depreciation expense	-	(44,837)	(133,203)	(178,040)
Other movement [*give details below*]				
Write off-Depreciation		71,740	386,538	458,277
Disposals:				
Other	-	-	-	-
Net book value 30 June 2025	**-**	**1,450,000**	**514,411**	**1,964,410**
Net book value as of 30 June 2025 represented by:				
Gross book value	-	1,450,000	834,291	2,284,291
Accumulated depreciation and impairment	-	-	(319,881)	(319,881)
Net book value 30 June 2025	**-**	**1,450,000**	**514,411**	**1,964,410**

Note 6A: Property, Plant and Equipment (continued)

2024

	Land	Buildings	Plant and Equipment	Total
	$	$	$	$
Property, Plant and Equipment:				
carrying value	-	1,793,500	1,318,321	3,111,821
accumulated depreciation	-	(26,903)	(573,216)	(600,118)
Total Property, Plant and Equipment	**-**	**1,766,597**	**745,105**	**2,511,702**

Reconciliation of opening and closing balances of property, plant and equipment

Net book value 1 July 2023	-	1,950,000	692,709	2,642,709
Additions:				
By purchase	-	1,793,500	486,669	2,280,169
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	-	(26,903)	(74,152)	(101,055)
Write off-Depreciation	-	-	52,895	52,895
Disposals:				
Sales	-	(1,950,000)	(413,017)	(2,363,017)
Other	-	-	-	-
Net book value 30 June 2024	**-**	**1,766,597**	**745,105**	**2,511,702**
Net book value as of 30 June 2024 represented by:				
Gross book value	-	1,793,500	1,318,321	3,111,821
Accumulated depreciation and impairment	-	(26,903)	(573,216)	(600,118)
Net book value 30 June 2024	**-**	**1,766,597**	**745,105**	**2,511,702**

Reconciliation of opening and closing balances of property, plant and equipment

The write-down and impairment expense recognised in profit or loss is presented net of accumulated depreciation written back on the relevant assets. For the year ended 30 June 2025, the land and buildings write-down expense of $287,582 represents a gross write-down of $359,322 less accumulated depreciation written back of $71,740. The plant and equipment write-down expense of $167,062 represents gross asset write-offs of $553,600 less accumulated depreciation written back of $386,538.

The revalued land and buildings consist of the buildings. Management determined that these constitute one class of asset under AASB 13 *Fair Value Measurement*, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation 30 July 2025, the properties' fair values are based on valuations performed by Adriano Russo AAPI a Certified Practising Valuer and a Director – Valuation & Advisory Services of CBRE Valuations Pty Limited Level 34, 8 Exhibition Street, Melbourne, Victoria, 3000.

The Motor Vehicles were replaced in FY 2024 before their expected useful lives had been reached. The was a decision made by the previous Branch Committee whose conduct is before the federal court of Australia VID 917/2024.

Note 6B: Intangibles

	2025	2024 (restated)	2024
	$	$	$
Computer software at cost:			
Internally developed	**113,411**	113,411	-
Purchased	**50,507**	-	-
Accumulated amortisation	**(6,933)**	-	-
Impairment	**-**	-	-
Total intangibles	**156,985**	113,411	-

Reconciliation of opening and closing balances of intangibles

As at 1 July 2024			
Gross book value	**113,411**	-	-
Accumulated amortisation and impairment	**-**	-	-
Net book value 1 July 2024	**113,411**	-	-
Additions:			
By purchase	**50,507**	113,411	-
Impairments	**-**	-	-
Amortisation	**(6,933)**	-	-
Other movements	**-**	-	-
Disposals	**-**	-	-
Net book value 30 June 2025	**156,985**	113,411	-

	2025	2024 (restated)	2024
	$	$	$
Net book value as of 30 June 2025 represented by:			
Gross book value	**163,918**	113,411	-
Accumulated amortisation and impairment	**(6,933)**	-	-
Net book value 30 June 2025	**156,985**	113,411	-

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	**253,515**	110,339	113,180
Subtotal trade creditors	**253,515**	110,339	113,180
Payables to other reporting unit(s)			
National Office	**54,488**	59,255	59,255
Subtotal payables to other reporting unit(s)	**54,488**	59,255	59,255
Total trade payables	**308,003**	169,594	172,435

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-	-
Superannuation	**39,469**	29,037	29,037
Payable to employers for making payroll deductions of membership subscriptions	**159**	261	261
Legal costs			
Litigation	**442,983**	59,668	59,668
Other legal costs	**90,732**	42,817	42,817
GST payable	**312,168**	242,083	176,682
PAYG payable	**599,151**	90,551	287,662
ATO interest payable	**9,345**	48,841	-
Other	**157,153**	120,583	-
Total other payables	**1,651,160**	633,841	596,127

Total other payables are expected to be settled in:

No more than 12 months	**1,651,160**	633,841	596,127
More than 12 months	-	-	-
Total other payables	**1,651,160**	633,841	596,127

Note 8 Provisions

Note 8A: Employee provisions

Employee provisions represent amounts accrued for annual leave, ADOs and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements, ADOs and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Branch does not expect the full amount of annual leave, ADO or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Branch does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision (if any) includes amounts accrued for long service leave entitlements that have not yet been vested in relation to those employees who have not yet completed the required period of service.

	2025	2024
	$	$
Office holders:		
Annual leave	**100,952**	88,081
Long service leave	**181,601**	128,941
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—office holders	**282,553**	217,742
Employees other than office holders:		
Annual leave	**543,977**	328,041
Long service leave	**305,015**	111,045
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—employees other than office holders	**848,992**	439,086
Total employee provisions	**1,131,545**	656,858
Current	**1,118,519**	516,121
Non-current	**13,026**	139,987
Total employee provisions	**1,131,545**	656,858

There were no provisions at year end for separation and redundancy and / or other employee amounts, except as stated above (2024: $nil).

Employee provisions reported prior to FY2025 were not accurately measured. As it was impracticable to reliably restate prior period amounts, the adjustment has been recognised as at 30 June 2025.

In July 2024, the Secretary approved an increase in annual leave entitlements of one additional week per annum for all employees. This change was applied retrospectively for three years, resulting in an additional increase in the employee annual leave provisions balance.

In addition, on costs associated with employee provisions were recognised in FY2025; these had not been included in prior periods.

Note 9 Non-current Liabilities

Note 9A: Other non-current liabilities

	2025	2024
	$	$
Commonwealth Bank	**92,898**	135,903
Westpac	**111,637**	175,140
Metro Finance	**13,902**	22,849
C & C Capital	**-**	348,160
Total other non-current liabilities	**218,437**	682,052

The building loan with C & C Capital is an interest only loan maturing yearly, it was incorrectly recorded as a non-current principal and interest loan in the FY24 accounts.

Note 10 Other funds

Note 10A: Other funds

Compulsory levy / voluntary contribution fund

Balance as at start of year	-	-
Transferred to fund, account or controlled entity	-	-
Transferred out of fund, account or controlled entity	-	-
Balance as at end of year	-	-
Total compulsory levy / voluntary contribution fund	-	-

Other fund(s) required by rules

Balance as at start of year	-	-
Transferred to reserves	-	-
Transferred out of reserves	-	-
Balance as at end of year	-	-

Note 11 Cash Flow

Note 11A: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:

	2025	2024
	$	$
Cash and cash equivalents as per:		
Statement of cash flow	**140,632**	66,523
Statement of financial position	**140,632**	66,523
Difference	-	-
Reconciliation of Surplus / (deficit) to net cash from operating activities:		
Surplus / (deficit) for the year	**(2,051,596)**	(826,946)
Adjustments for non-cash items		
Depreciation / amortisation	**184,973**	101,055
Net write-down of non-financial assets	**454,645**	544,158
Fair value movements in investment property	**-**	-
Loss on disposal of assets	**-**	56,104
Depreciation adjustment		(52,895)
Changes in assets / liabilities		
(Increase) / decrease in net receivables	**37,117**	(52,580)
(Increase) / decrease in prepayments	**7,092**	68,440
(Increase) / decrease in inventories	**-**	258,536
Increase / (decrease) in supplier payables	**1,155,730**	(451,237)
Increase / (decrease) in other payables	**-**	-
Increase / (decrease) in employee provisions	**475,437**	27,884
Net cash from / (used by) operating activities	**263,398**	(327,481)

Note 11B: Cash flow information

Cash inflows		
Health Services Union	127,885	-
Total cash inflows	**127,885**	-
Cash outflows		
Health Services Union	(506,144)	(453,013)
Total cash outflows	**(506,144)**	**(453,013)**

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and contingencies

As at 30 June 2025, the HWU has the following contingent liabilities:

The Branch is defending proceedings in the Magistrates Court of Victoria initiated by a former officer alleging underpayment of leave entitlements. Without admission of liability, the HWU has recognised a contingent liability of approximately $74,865 for the purpose of these financial statements. At this stage, the timing and amount of any potential outflow cannot be reliably measured. Based on management's assessment, a payment is possible but not probable.

2. Cornwall's Lawyers – Invoice Dispute

The Branch is disputing professional fees and disbursement charges issued by Cornwall's Lawyers totalling $228,295 for work undertaken during FY25. As at 30 June 2025, the balance outstanding relating to Federal Court proceeding VID917/2024 is $108,001.75. Of this amount, the Branch has paid $20,000.00, with $88,001.75 remaining in dispute.

The Branch does not accept liability for the full invoiced amount. Without admission, the HWU has recognised a contingent liability of $44,000 (representing 50% of the disputed balance outstanding of $88,001.75, as at 30 June 2025).

Management continues to monitor both matters and will reassess the contingent liability position in future reporting periods as new information becomes available.

Note 13 Related Party Disclosures

The names or persons who formed part of the Committee of Management at any time during or after the reporting period were: -

President	Secretary	Trustee
R Barclay	D Asmar	S. Stone
		A. Hargraves
Assistant Secretary	**Senior Vice-President**	**Junior Vice-President**
D Eden	L Atkinson	S. Jacks
T Legassick	V Mitchell	K Vasiliadis
L Fisher	N Katsis	D Stratton
A Ioanidis	D McCullum	D Harika

Names of persons in management:
(Interim Administrator 23 December 2024 – 24 June 2025) and (Administrator 25 June 2025 – to date)
C Donnelly

Note 13A: Related party transactions for the reporting period

	2025	2024
	$	$
During the period, the Branch incurred to the National Office a per capita payment (capitation fees) calculated in accordance with the rules	**370,677**	329,319
During the period the Branch paid the National Office affiliation fees to be on-paid to the ACTU	**87,265**	99,473
During the year, the Branch paid the National Office reimbursement of expenses for the National Executive and National Council	**614**	11,115
During the year the year the National Office reimbursed the Branch for the Interim Administrators costs to 25th June 2025	**127,855**	-
Amounts receivable at reporting date - National Office	**40,482**	24,288
Amounts (payable) at reporting date - National Office	**(54,488)**	(59,255)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arms length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2025, Health Services Union Victoria No 1 Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2024: $[*nil*]). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Expected credit losses are immaterial and have not been recognised in relation to any outstanding balances.

Note 13B: Key management personnel remuneration for the reporting period

Names of key management personnel at any time during the year

D Asmar	D Eden	C Donnelly
L Atkinson	N Katsis	H Salem
R Barclay	D Harika	

	2025	2024
	$	$
Short-term employee benefits		
Salary (including annual leave taken)	**1,326,530**	1,228,325
Annual leave accrued	**189,309**	121,929
Performance bonus	**-**	-
Provision of motor vehicle (non-monetary)	**-**	-
Total short-term employee benefits	**1,515,839**	1,350,254

	2025	2024
	$	$
Post-employment benefits:		
Superannuation	**144,800**	143,267
Total post-employment benefits	**144,800**	143,267
Other long-term benefits:		
Long-service leave	**254,003**	169,442
Total other long-term benefits	**254,003**	169,442
Termination benefits	**-**	-
Total	**1,914,642**	1,662,963

No termination benefits or share based payments were received, nor performance bonuses by staff or elected officers.

Note 13C: Transactions with key management personnel and their close family members

The officeholders received no 'non-cash' benefits other than motor vehicle usage during the year. No officeholder of the Branch during the period had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

No officeholder or officer of the Branch received any remuneration because they were a member of, or held position with a Board or other organisation because: -

i. The officeholder held such a position with the Board or other organisation only because they were an officeholder of the Branch; or
ii. They were nominated for the position by the Branch; or
iii. They received remuneration from any third party, in connection with the performance of their duties as officeholders of the Branch.

Other transactions between the Committee Members and the Branch were conducted on normal commercial terms in respect of subscriptions and supply of any goods and services.

Other transactions with key management personnel

Honorariums of $11,600 (2024: $12,000) were paid to Committee of Management members this year; details below.

	2025	2024
	$	$
S Jacks	**1,200**	1,200
A Hargreaves	**1,200**	1,200
S Stone	**1,200**	1,200
D Stratton	**1,200**	1,200
K Vasiliadis	**1,200**	1,200
L Fisher	**1,200**	1,200
D McCallum	**1,200**	1,200
T Legassick	**1,200**	1,200
V Mitchell	**800**	1,200
R Barclay	**1,200**	1,200

Note 13D: Other Disclosures

The Branch previously entered a 'bare trust' arrangement with Health Education Federation Ltd and its controlled entity (HEF), wherein all income and expenses relating to the provision of training, pursuant to a contract with the Department of Health and Human Services, vested with the Branch. The contract with DHHS no longer exists and all activities of HEF have ceased. Ms. D Asmar remains the director of HEF. She is not remunerated for this role, nor has she any entitlement to the net assets held by HEF.

Note 14 Remuneration of Auditors

	2025	2024 (restated)	2024
	$	$	$
Value of the services provided			
Financial statement audit services	**33,000**	20,000	20,000
Other services	**-**	-	-
Total remuneration of auditors	**33,000**	20,000	20,000

Note 15 Financial Instruments

Note 15A: Categories of Financial Instruments

Financial assets			
At amortised cost:			
Cash and cash equivalents	140,632	66,523	66,523
Trade and other receivables	603,449	640,566	865,565
Total	**744,081**	707,089	932,088
Carrying amount of financial assets	**744,081**	707,089	932,088
Financial liabilities			
At amortised cost:			
Trade and other payables	**1,959,163**	803,435	768,562
Borrowings	**916,826**	970,213	970,213
Lease liabilities	**-**	-	-
Total	**2,875,989**	1,772,648	1,738,775
Carrying amount of financial liabilities	**2,875,989**	1,773,648	1,773,775

Note 15B: Credit risk

	Trade receivables and contract assets					
	Days past due					
	Current	**<30 days**	**30-60 days**	**61-90 days**	**>91 days**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
30 June 2025						
Expected credit loss rate	-%	-%	-%	-%	100%	100%

Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-
30 June 2024						
Expected credit loss rate	-%	-%	-%	-%	100%	-
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

For trade receivables and contract assets, customer credit risk is managed in accordance with the Branch's established policy, procedures and control relating to customer credit risk management

Note 15C: Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Branch manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

The following tables set out the liquidity risk of financial liabilities held by Health Services Union Victoria No 1 Branch. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

Contractual maturities for financial liabilities and lease liabilities are as follows:

Financial liabilities	**On Demand**	**< 1 year**	**1– 2 years**	**2– 5 years**	**>5 years**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
30 June 2025						
Payables	**1,959,163**	**-**	**-**	**-**	**-**	**1,959,163**
Other liabilities	**-**	**698,389**	**218,437**	**-**	**-**	**916,826**
Total	**1,959,163**	**698,389**	**218,437**	**-**	**-**	**2,875,989**
Financial liabilities						
30 June 2024						
Payables	803,435	-	-	-	-	803,435
Other liabilities	-	288,161	682,052	-	-	970,213
Total	803,435	288,161	682,052	-	-	1,773,648

Note 15D: Market risk

Interest rate risk

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Branch's exposure to the risk of changes in market interest rates relates primarily to its interest-bearing loans.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate of those interest-bearing loans:

	2025				2024			
	Risk variable	**Change in risk variable**	**Effect on**		Risk variable	Change in risk variable	Effect on	
			Profit or loss	**Equity**			Profit or loss	Equity
	$	**%**	**$**	**$**	$	%	$	$
Interest rate risk	2,875,989	**+2**	(57,520)	(57,520)	1,773,648	+ 2	(35,473)	(35,473)
Interest rate risk	2,875,989	**- 2**	57,520	57,520	1,773,648	- 2	35,473	35,473

Note 16 Fair value measurements

The Branch measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Branch does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using

one or more valuation techniques. These valuation techniques maximize, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Branch selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected are consistent with one or more of the following valuation approaches;

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Branch gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Note 16A: Financial assets and liabilities

Health Services Union Victoria No 1 Branch assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

For other financial instruments, the following methods and assumptions were used to estimate the fair values.

Fair values of the Branch's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 Jun 2025 was assessed to be insignificant.

The following table contains the carrying amounts and related fair values for *[reporting unit's]* financial assets and liabilities:

	Carrying amount 2025 $	**Fair value 2025 $**	Carrying amount 2024 $	Fair value 2024 $
Financial assets				
Cash	140,632	140,632	66,523	66,523

Trade and other receivables	603,449	603,449	640,566	640,566
Total	**744,081**	**744,081**	**707,089**	707,089
Financial liabilities				
Trade payables	**1,959,163**	**1,959,163**	803,435	803,435
Borrowings	**916,826**	**916,826**	970,213	970,213
Total	**2,875,989**	**2,875,989**	1,773,648	1,773,648

Note 16B: Financial and non-financial assets and liabilities fair value hierarchy

The following tables provide the fair values of the Branch's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

Fair value hierarchy

	Date of valuation	**Level 1**		**Level 2**		**Level 3**	
		2025	2024	**2025**	2024	**2025**	2024
		$	$	**$**	$	**$**	$
Assets measured at fair value							
Freehold land & buildings		**-**	-	**1,450,000**	1,766,597	**-**	-
Total		**-**	-	**1,450,000**	1,766,597	**-**	-
Liabilities measured at fair value							
		-	-	**-**	-	**-**	-
Total		**-**	-	**-**	-	**-**	-

Note 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 the General Manager:

1. A member of a reporting unit, or the General Manager, 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)

Officer declaration statement

I, Jake McGuinness, being the Secretary of the Health Services Union Victoria No 1 Branch, declare that the following activities did not occur during the reporting period ending 30 June 2025.

Health Services Union Victoria No 1 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 revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- 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 a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a separation and redundancy provision in respect of holders of office
- have a separation and redundancy provision 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: [redacted]

Jake McGuinness, Secretary

Designated Officer

Dated: 2 October 2026

Fair Work Commission

12 March 2026

Charlie Donnelly
Administrator
Health Services Union-Victoria No. 1 Branch
Sent via email: Charlie.Donnelly@hwu.org.au

CC: awehrens@nexiamelbourne.com.au

Dear Charlie Donnelly

Health Services Union-Victoria No. 1 Branch
Financial Report for the year ended 30 June 2025 – (FR2025/141)

I acknowledge receipt of the financial report for the year ended 30 June 2025 for the Health Services Union-Victoria No. 1 Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 30 January 2026.

The financial report has not been filed. I have examined the report and identified a number of issues, the details of which are set out in Appendix A, that you are required to address before the report can be filed.

Actions required

1. Please review and address all the issues in Appendix A.
2. Please amend the general purpose financial report including the officer's declaration statement where required.
3. The amended reports will need to be approved, audited and provided to members.
4. The amended report and the new auditor's statement will need to be lodged with the Commission with a new designated officer's certificate.

If you have any queries regarding this letter, please call Joanne Fenwick on (03) 8650 0172 or email joanne.fenwick@fwc.gov.au.

Yours sincerely

Fair Work Commission

Appendix A

Below is a list of issues identified from the financial report for the year ended 30 June 2025 for the reporting unit and should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (the RO Act), *Fair Work (Registered Organisations) Regulations 2009* (the RO Regs), the 6th edition general managers reporting guidelines made under section 255 of the RO Act and the Australian Accounting Standards.

Issues

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1. **Going concern**

   Australian Accounting Standard AASB 101 *Presentation of Financial Statements* paragraph 25 relates to the assessment of an entity's ability to continue as a going concern. Australian Auditing Standard ASA 570 *Going Concern* looks at the requirements for auditors in relation to their responsibility to obtain sufficient appropriate audit evidence about the appropriateness of management's use of going concern assumption in the preparation and presentation of the financial report and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern.

   I note that the reporting unit made a net loss of $2,051,596 and reports net liability of $1,099,835 for the 2025 financial year (FY). I also note that the committee of management statement includes a declaration that the reporting unit is able to pay debt due to it 'being part of a larger registered organisation'. However, as per the Health Services Union - National Office (HSU)'s financial report for the year ended 30 June 2025, the HSU does not make a corresponding statement that they have agreed to provide financial support to another reporting unit to ensure they can continue as a going concern basis.

   Due to these factors, the Commission has concerns about the reporting unit's ability to prepare this general purpose financial report on a going concern basis.

   To assist with our further enquires can you please provide evidence that demonstrates:

   1. the ability of the reporting unit to continue as a going concern;
   2. what strategies the reporting unit is implementing to reduce the net losses and its net liability; and
   3. whether there is an official agreement in place that the HSU will provide financial support to the reporting unit.

2. **Committee of management statement - Date of resolution**

   Item 26 of the reporting guidelines requires that the committee of management statement be made in accordance with such resolution as is passed by the committee of management. Due to the current administrative arrangements of the reporting unit, you as the administrator, have the powers and duties of the committee of management to make the resolution. The committee of management statement must also specify the date of the resolution. I note that the date of the resolution was not provided.

   Please amend the committee of management statement to include this date and resubmit to the Commission.

3. **Incorrect legislative references**

   The Commission has been the regulator for registered organisations since 6 March 2023. All references to the Registered Organisations Commission and Commissioner must be changed to the Fair Work Commission and General Manager of the Fair Work Commission.

   I note that Note 2 refers to the Regulated Organisation Commission and Commissioner instead of the Fair Work Commission and the General Manager of the Fair Work Commission. Please ensure to update this note accordingly.

4. Significant changes in financial affairs

The Commission has identified the following significant changes to the reporting unit's financial affairs, but the financial report does not include any explanation for these changes.

(a) Trade and other payables

Trade and other payables increased significantly from $803,435 in 2024 FY (restated) to $1,959,163 in 2025 FY. These figures include the total ATO related debts of $920,664 incurred in 2025 FY which is 3 times higher than the total ATO debts in 2024 FY (restated) of $381,475.

Please provide details of what has caused the significant increase in trade and other payables figures. Please also advise the breakdown of these debts that occurred before the commencement of the administration.

(b) Employee provisions

Note 8 *Provisions* discloses that the total amount of annual leave, other entitlements and long service leave increased from $656,108 in 2024 FY to $1,131,545 in 2025 FY.

Please provide details of the reasons for this significant increase in annual leave and long service leave provisions, considering that the operating report indicates that the number of employees has decreased from 33.5 full-time equivalent (FTE) to 28.7 FTE, and the financial report indicates that there is no provision for separation and redundancy.

(c) Employee expenses

The statement of profit and loss and other comprehensive income (statement of profit and loss) discloses total employee expenses of $3,740,660 and $4,701,196 in 2024 FY (restated) and 2025 FY respectively. Note 11 *Employee benefits* also discloses that there were no expenses in 2025 FY or in 2024 FY for separation and redundancy, nor other employee expenses including retirement allowances.

Please provide details of the reasons for an approximately $1.1 million increase in employee expenses considering, as indicated above, that the FTE numbers of the reporting unit have decreased.

(d) Finance costs

The statement of profit and loss also discloses an increase in finance costs from $55,812 in 2024 FY (restated) to $374,558 in 2025 FY. Please provide an explanation for this increase in finance costs.

5. Inconsistencies in disclosures

The Commission also identified the following inconsistencies in the financial statements which require the reporting unit to provide further explanations.

(a) Revenue

The statement of profit and loss discloses revenue from other income of $144,074 in 2025 FY. Note 22 *Revenue*, however, discloses revenue from other parties of $144,047 in 2025 FY. Note 22 also doesn't discloses revenue amount from 'Other person' under Total Revenue by Customer Type.

(b) Depreciation expenses

The statement of profit and loss discloses depreciation expenses of $184,973 in 2025 FY. This figure, however, does not reconcile with the total depreciation amount disclosed in note 6 *Property, Plant and Equipment*.

(c) Employee benefits

The statement of profit and loss discloses employee expenses of $4,701,196 in 2025 FY. This figure, however, does not reconcile with the total employee benefits disclosed in note 11.

(d) Write down and impairment of assets

The statement of profit and loss discloses write-down and impairment of assets of $544,158 in 2024 (restated). This figure, however, does not reconcile with the write-down of trade receivables in note 4 *Trade & other receivables* or the write-down of the value of merchandise item in 2024 FY in note 5 *Other Assets*. Also, note 6 does not indicate any write-off of property, plant and equipment during the 2024 FY.

(e) Net losses from sale of assets

The disposal of property, plant and equipment disclosed in note 6 for 2024 FY is $2,310,122 and the proceeds from sale of plant and equipment disclosed in the statement of cash flows for 2024 FY is $2,230,362. This would result in a net loss from sale of assets of $79,760 for 2024 FY. The statement of profit and loss, however, discloses the net losses from sale of assets of $56,104 for 2024 FY (restated).

(f) Borrowings

The statement of financial position and note 9 *Interest Bearing Debt* disclose the current borrowing liabilities of $698,389 and non-current borrowing liabilities of $218,437 for the 2025 FY. These figures, however, do not reconcile with the interest bearing debt amounts disclosed in note 18a *Interest Rate Risk*.

(g) Purchase of plants and equipment and intangibles

The statement of cash flow discloses the purchase of plant and equipment and intangibles amount of $135,900 for 2025 FY (2024 FY: $2,437,235). These figures, however, do not reconcile with the additions amount disclosed in note 6.

(h) Number of employees

Note 1(c) *Superannuation* states that the number of employees at the end of 2024 was 30. The operating report, however, states that the number of FTE employees is 2024 FY was 33.5. The number of FTE employees appears to be higher than total number of employees in 2024 FY.

6. Statement of profit and loss

(a) Disclosure of audit fees

Australian Accounting Standard AASB 1054 *Australian Additional Disclosures* paragraph 10 requires the financial statements to separately disclose amounts paid to the auditor for the audit or review of the financial statements and for all other services performed.

The statement of profit and loss discloses audit fees but does not break down this expenditure as described above. It should be noted that if any of the audit fee relates to other services performed, then a description of the nature of the other services must be provided (refer to AASB 1054 paragraph 11).

Please update the financial statements accordingly to include these additional disclosures of audit fees.

(b) Disclosure of legal expenses

Item 13(j) of the reporting guidelines requires legal expenses to be separately disclosed as follows:

(i) litigation; and

(ii) other legal costs

The statement of profit and loss discloses legal costs but does not break down this expenditure as described above. Please update the financial statements accordingly to include these disclosures.

(c) Administration expenses

Australian Accounting Standard AASB 101 *Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. The statement of profit and loss reports administration expenses of $996,250 for 2025 FY (2024 FY (restated): $1,667,739), which is a material amount. This item is required to be further divided to ensure that any material items within expenses are separately disclosed.

7. Statement of financial position

(a) Bad and doubtful debts

Note 4 *Trade & other receivables* does not list any allowance for 'doubtful debt' nor did it report a trade receivable for unpaid membership subscriptions.

Please advise what procedure the reporting unit has in place to account for doubtful debts provision and trade receivables relating to unpaid membership subscriptions.

(b) Reconciliation for intangibles

Australian Accounting Standard *AASB 138 Intangible Assets* paragraph 118 requires a reconciliation of the carry amount at the beginning and end of the period for each class of assets.

While the statement of financial position discloses balances of intangibles, no reconciliation was provided in the notes. Please amend the financial report to include all relevant and required financial disclosures in accordance with AASB 138.

(c) Motor Vehicles

Note 6 *Property, Plant and Equipment* discloses that the motor vehicles at costs as at 30 June 2023 was $410,010. During the 2024 FY, additions of $460,467 and disposals of $413,017 are recorded against motor vehicles. Depreciation as at 30 June 2023 was $66,394, therefore based on the reported depreciation rates in Note 1(b), as at 30 June 2023, the motor vehicles had been depreciated by approximately 1 year. It appears that the reporting unit replaced all its recently purchased motor vehicles in 2024 FY before their expected useful lives had been reached.

Please provide further information on the events which led to the replacement of the reporting unit's motor vehicle fleet.

(d) Disclosures of receivables/payables to other reporting units

Reporting guideline 14 requires that where there is a receivable or a payable with another reporting unit of the organisation, the following additional disclosures must be made in the notes to the financial statements about the item:

(d) the name of the other reporting unit; and

(e) the amount attributable to the other reporting unit

Note 12 *Related party transactions* discloses total receivables (payables) at reporting date as 'National Office and other branches' but does not separately disclose the amount related to each reporting unit. Please update the note accordingly to include these disclosures.

I also note that the officer's declaration statement and note 23 *Other Disclosures* include a nil disclosure for having a receivable and payable with another reporting unit. Please update the notes and the officer's declaration statement accordingly to ensure consistent disclosures in the financial statements.

8. Statement of changes in equity

(a) Balance in the General fund

The statement of changes in equity discloses balance in general fund/ retained losses of $2,051,596 for 2025 FY. The officer's declaration statement, however, includes a nil disclosure of having the balance in the general fund.

Please update the officer's declaration statement accordingly to ensure consistent disclosures in the financial statements.

9. Statement of cash flow

(a) Financing activities

The statement of cash flows discloses Other – cash received under Financing activities of $361,146 for 2024 FY. It also discloses Other – cash used of $53,389 for 2025FY. Please provide further details of what these amounts are for.

(b) Cash flows transactions with other reporting units

Reporting guideline 17 requires that where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, the following details of such cash flow should be separately disclosed either in the cash flow statement or in the notes to the financial statements:

(i) The name of the other reporting unit and/or controlled entity; and

(ii) The amount paid to/received from each.

The statement of cash flow discloses total cash receipts and payments from/to other reporting unit/controlled entity but does not separately disclose these amounts as required above. Please update the financial statements or the notes accordingly to include these disclosures.

I also note that the officer's declaration statement includes nil disclosures for receiving/providing cash flows from/to another reporting unit and/or controlled entity. Please update the officer's declaration statement accordingly to ensure consistent disclosures in the financial statements.

10. Nil activities – not disclosed

Item 20 of the reporting guidelines states that if any of the activities identified within items 9 – 19 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement.

The general purpose financial report contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 13(d) – pay compulsory levies
- Item 13(i) – incur expenses due to holding a meeting as required under the rules of the organisation

Please update the financial report to include these items.

I also note that Note 23 *Other disclosures* includes the following statement:

> Except as disclosed in the Statement of Profit and Loss, there were payables to employers consideration for the employers making payroll deductions of membership subscriptions at reporting date (2024: $nil).

It is unclear whether this statement refers to

- Item 13(a) – incur fees as consideration for employers making payroll deductions of membership subscriptions; or
- Item 15(a) – have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions

11. Disclosures of prior period errors

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 49 identifies disclosure requirements for all prior period errors.

I note the following amounts in the financial statements for the year ended 30 June 2024 have been restated:

- membership subscriptions
- employee expenses
- administration expenses
- write-down and impairment of assets
- net losses from sale of assets

- trade receivables
- inventory
- property plant and equipment
- intangibles, and
- trade payables.

Note 1(q) *Correction of Prior Period Errors*, however, only includes disclosures for the correction of inventory and trade receivables. Please update this note to include details of all the corrections of prior period errors made in accordance with AASB 108.

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER FOR THE YEAR ENDED 30 JUNE 2025

I, Charlie Donnelly, being the Administrator of the Health Services Union Victoria, No 1 Branch (HSU1) certify:

(i) That the documents lodged herewith are copies of the full report for the HSU1 for the period ended 30 June 2025 referred to in Section 268 of the *Fair Work (Registered Organisations) Act 2009; and*

(ii) That the full report was provided to members of the reporting unit on 31st December 2025; and

(iii) That the full report was presented to a general meeting of members of the reporting unit on 29th January 2026 in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009

[redacted]

Charlie Donnelly (Administrator)
Designated Officer

Dated this 29th day of January 2026

Health Services Union Victoria No 1 Branch

known as Health Workers Union

FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2025

Operating Report
for the year ended 30 June 2025

Principal activities
The principal activities of the Health Services Union Victoria No 1 Branch (HWU) during the period were to provide representation and support to its members.

Significant Changes in the State of Affairs
On 23 December 2024 the Federal Court of Australia appointed Mr. Charlie Donnelly Interim Administrator to the HWU to exercise such powers and duties of the HWU Branch Committee, the HWU Branch Officers and the HWU Branch Finance Committee which were conferred on those bodies and those officers by the Rules and the Fair Work Act. On 25 June 2025 the Federal Court of Australia declared that the HWU had ceased to function effectively and there were no effective means under the rules of the organisation by which it can be enabled to function effectively. Furthermore, pursuant to section 323(2) of the Fair Work (Registered Organisations) Act 2009 (Cth), a scheme was approved to enable the HWU to function effectively with Mr. Charlie Donnelly appointed Administrator of the HWU with identified officers vacated. Since the appointment of the Interim Administrator and Administrator several budgetary measures have been introduced to curtail expenditure not in the interest of HWU members.

Review of results
During the current year, the Branch generated a total comprehensive deficit of $2,051,596 (2024: deficit of ($826,946). Excluding depreciation (a non-cash item). The primary objective of the Branch during 2025 has been to provide members with ongoing appropriate representation and we believe this has been achieved. During the year significant legal costs relating to the former Branch Secretary and Branch Committee of Management were incurred. Organising and service activities will continue to be the focus for the balance of 2025, and we are confident we will continue to develop the Branch's operations for the benefit of all members.

Trustee or director of trustee company of superannuation entity or exempt public sector superannuation scheme
No officer, or member of the reporting unit holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member or an organisation.

Resignation of Members
As per section 174 of the Fair Work (Registered Organisations) Act 2009, a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Number of Members
As at 30 June 2025, the number of members of the organisation recorded in the register of members was 13,018 (2024: 18,233).

Number of Employees
As at 30 June 2025, the number of full-time equivalent employees was 28.7 (2024: 33.5).

Committee of Management
The Committee of Management members during the year and up until the date of this report were as follows: -

Members from 1 July 2024 to 24 December 2024:

D Eden	R Barclay	S Jacks
D Asmar	V Mitchell	N Katsis
D Stratton	A Hargreaves	L Fisher
K Vasiliadis	L Atkinson	A Ioanidis
S Stone	T. Legassick	D McCullum

From 23 December 2024 to 30 June 2025:

C Donnelly, Interim Administrator / Administrator, exercised such powers & duties of the Committee of Management.

Operating Report
for the year ended 30 June 2025 (cont'd)

Future Developments

In the opinion of the Administrator, there is not likely to be any future development that will materially affect the Union's operation in subsequent years.

Manner of Resignation

Members may resign from the Union in accordance with the rules, which read as follows:

Resignation of Members

(a) A Member may resign from the Union by written notice addressed and delivered to the Secretary.

(b) A notice of resignation from membership of the Branch takes effect:

(i) at the end of two weeks after the notice is received by the Branch; or

(ii) on the day specified in the notice; whichever is later.

(c) Any dues payable but not paid by a former Member of the Union in relation to a period before the Member's resignation from the Branch took effect, may be sued for and recovered in the name of the Branch, in a court of competent jurisdiction, as a debt due to the Branch.

(d) A notice delivered to the person mentioned in sub-rule (1) shall be taken to have been received by the Union when it was delivered.

(e) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with the rules.

(f) A resignation from membership of the Union is valid even if it is not affected in accordance with this section if the Member is informed in writing by or on behalf of the Union that the resignation has been accepted.

Signed in accordance with a resolution of the Administrator

[redacted]

Charlie Donnelly HWU Administrator

Dated this 31st day of December 2025

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2025

I, Charlie Donnelly, being the Administrator of the Health Services Union Victoria, No 1 Branch (HSU1) certify:

(i) That the documents lodged herewith are copies of the full report for the HSU1 for the period ended 30 June 2025 referred to in Section 268 of the *Fair Work (Registered Organisations) Act 2009;* and

(ii) That the full report was provided to members of the reporting unit on 31st December 2025.

[redacted]

Charlie Donnelly (Administrator)
Designated Officer

Dated this 31st day of December 2025

OFFICER DECLARATION STATEMENT

I, Charlie Donnelly, being the Administrator of the Health Services Union Victoria No 1 Branch, declare that the following activities did not occur during the reporting period ended 30 June 2025.

The reporting unit did not:

- 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;
- 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 other employee expenses to holders of office;
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit;
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*;
- have a receivable with other reporting unit(s);
- have a payable with other reporting unit(s);
- have a separation and redundancy provision in respect of holders of office;
- have a separation and redundancy provision 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 a balance within the general fund;
- provide cash flows to another reporting unit and/or controlled entity;
- receive cash flows from another reporting unit and/or controlled entity;
- have another entity administer the financial affairs of the reporting unit; or
- make a payment to a former related party of the reporting unit.

[redacted]

Charlie Donnelly - Administrator

Designated Officer

Date this 31st day of December 2025

COMMITTEE OF MANAGEMENT STATEMENT

I, Charlie Donnelly, was appointed as:

- Interim Administrator of the reporting unit on 23 December 2024 pursuant to an order of His Honour Justice Dowling in Federal Court proceeding VID917/2024.
- Administrator of the reporting unit on 25 June 2025 pursuant to an order of His Honour Justice Dowling in Federal Court proceeding VID917/2024.

Pursuant to the court's orders, the offices of members of the committee of management were declared vacant and I was given the powers and duties of the committee of management under the rules. Accordingly, I am authorised to make this declaration in place of the committee of management.

Where I give my opinion, I do so based on the matters I have observed, and the processes that I have put in place, since 23 December 2024. I make no declaration in relation to matters that occurred prior to 23 December 2024.

In my opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with the reporting guidelines of the General Manager;

(c) the financial statements and notes give a true and fair view of the financial performance, financial position, and cash flows of the reporting unit for the financial year to which they relate;

(d) on the basis that the reporting unit is part of a larger registered organisation, there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;

(e) during the financial year to which the general-purpose financial report relates and since the end of that year:

(i) meetings of the committee of management were not held in accordance with the rules of the organisation including the rules of a branch concerned for reasons including that the offices on the committee of management were vacated by way of court order, and the scheme of administration ordered by the court operates and applies to the reporting unit notwithstanding anything in the rules; and

(ii) the financial affairs of the reporting unit were not managed in accordance with the rules of the organisation including the rules of a branch concerned for reasons including that the offices on the committee of management were vacated by way of court order, and the scheme of administration ordered by the court operates and applies to the reporting unit notwithstanding anything in the rules; and

(iii) the financial records of the reporting unit may not have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* for reasons including that significant financial information of the reporting unit appears to have been irretrievably deleted; and

COMMITTEE OF MANAGEMENT STATEMENT (cont'd)

(iv) apart from the issue identified at paragraph (iii) above, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent 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 the General Manager duly made under section 272 of the *Fair Work (Registered Organisations) Act 2009*, that information has been provided to the member or the General Manager; and

(vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the *Fair Work (Registered Organisations) Act 2009*, there has been compliance.

Declared by Charlie Donnelly, Administrator

[redacted]

Dated this 31st day of December 2025

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AUDITOR'S INDEPENDENCE DECLARATION TO THE ADMINISTRATOR HEALTH SERVICES UNION VICTORIA NO 1 BRANCH

I declare that, to the best of my knowledge and belief, during the year ended 30th June 2025 there has been:

a. no contraventions of the auditor independence requirements as set out in APES 110 in relation to the audit, and

b. no contraventions of any other applicable code of professional conduct in relation to the audit.

[redacted]

Nexia Melbourne Audit Pty Ltd
Melbourne

[redacted]

Andrew Wehrens
Director

Dated this 31st day of December 2025

Registered Audit Company 291969

Nexia Melbourne Audit Pty Ltd (ABN 86 005 105 975) is a firm of Chartered Accountants. It is affiliated with, but independent from Nexia Australia Pty Ltd. Nexia Australia Pty Ltd is a member of Nexia International, a leading, global network of independent accounting and consulting firms. For more information please see www.nexia.com.au/legal. Neither Nexia International nor Nexia Australia Pty Ltd provide services to clients.

Liability limited under a scheme approved under Professional Standards Legislation.

Report required under subsection 255(2A)

The Administrator presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 30 June 2025.

Descriptive form:

Categories of expenditures	2025 ($)	2024 Restated ($)
Remuneration and other employment-related costs and expenses – employees	**4,701,196**	3,569,318
Advertising	**2,963**	9,800
Operating costs	**2,707,788**	3,292,114
Donations to political parties	**–**	–
Legal costs	**1,054,027**	339,078

Signature: [redacted] .....

Charlie Donnelly - Administrator of the Health Services Union Victoria No 1 Branch

Dated: 31st day of December 2025

Statement of profit and loss and other comprehensive income

for the year ended 30 June 2025

	Notes	2025	2024(restated)	2024
		$		$
Revenue from membership contributions				
Membership subscriptions*	22	**6,240,212**	6,383,318	6,726,059
Capitation fees and other revenue from another reporting unit* [1]		-	-	-
Levies*		-	-	-
Other sales of goods or services to members		-	-	-
Revenue from recovery of wages activity*		-	-	-
Total revenue from contracts with customers		**6,240,212**	6,383,318	6,726,059
Income for furthering objectives				
Grants and/or donations*	22	**30,091**	-	-
Income recognised from volunteer services*		-	-	-
Income recognised from transfers		-	-	-
Total income for furthering objectives		**30,091**	-	-
Other income				
Net gains from sale of assets		-	-	-
Investment income		-	-	-
Rental income		-	-	-
Other income	22	**144,074**	46	47
Share of net profit from associate		-	-	-
Total other income		**144,074**	46	47
Total income		**6,414,377**	6,383,364	6,726,106
Expenses				
Employee expenses*	11	**(4,701,196)**	(3,740,660)	(3,569,318)
Cost of goods sold				
Capitation fees and other expense from another reporting unit*	13	**(370,677)**	(329,319)	(329,319)
Affiliation fees*	20	**(293,685)**	(279,274)	(279,274)
Advertising & Marketing		**(2,963)**	(9,800)	(9,800)
Administration expenses		**(996,250)**	(1,667,739)	(1,851,935)
Grants or donations*				
Depreciation and amortisation	6	**(184,973)**	(168,366)	(168,366)
Finance costs		**(374,558)**	(55,812)	(42,959)
Legal costs*		**(1,054,027)**	(339,078)	(339,078)
Write-down and impairment of assets		**(454,645)**	(544,158)	-
Net losses from sale of assets		-	(56,104)	(55,805)
Audit fees		**(33,000)**	(20,000)	(20,000)
Total expenses		**(8,465,974)**	(7,210,310)	(6,665,853)
Surplus / (deficit) for the year		**(2,051,596)**	(826,946)	60,253

Statement of profit and loss and other comprehensive income (continued)

Other comprehensive income

for the year ended 30 June 2025

	2025	2024(restated)	2024
	$	$	$
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain / (loss) on revaluation of land & buildings	-	-	-
Total comprehensive income for the year	**(2,051,596)**	(826,946)	60,253

The above statement should be read in conjunction with the notes accompanying the financial statements.

Statement of financial position

as at 30 June 2025

	Notes	2025 $	2024(restated) $	2024 $
ASSETS				
Current assets				
Cash and cash equivalents*	3	**140,632**	66,523	66,523
Trade and other receivables*	4	**603,449**	640,566	865,565
Inventory	5	**-**	-	627,027
Other current assets	5	**42,224**	49,316	49,316
Total current assets		**786,305**	756,405	1,608,431
Non-current assets				
Property plant and equipment	6	**1,964,410**	2,511,702	2,625,411
Intangibles		**156,985**	113,411	-
Total non-current assets		**2,121,395**	2,625,113	2,625,411
Total assets		**2,907,700**	3,381,518	4,233,842
LIABILITIES				
Current liabilities				
Trade and other payables	7	**1,959,163**	803,435	768,562
Borrowings	9	**698,389**	288,161	288,161
Employee provisions	8	**1,118,519**	516,121	516,121
Total current liabilities		**3,776,071**	1,607,718	1,572,844
Non-current liabilities				
Employee provisions	8	**13,026**	139,987	139,987
Borrowings	9	**218,437**	682,052	682,052
Total non-current liabilities		**231,464**	822,039	822,039
Total liabilities		**4,007,535**	2,429,757	2,394,883
Net assets / (liabilities)		**(1,099,835)**	951,761	1,838,959
EQUITY				
General funds / (retained losses)	10	**(1,099,835)**	951,761	1,838,959
Other funds		**-**	-	-
Reserves		**-**	-	-
Total equity		**(1,099,835)**	951,761	1,838,959

*The above statement should be read in conjunction with the notes accompanying the financial statements.

Statement of changes in equity

for the year ended 30 June 2025

	Notes	General funds / retained losses	Reserves	Total equity
		$	$	$
Balance as at 1 July 2023		738,563	1,040,144	1,778,707
Surplus / (deficit) for the year		(826,946)	-	(826,946)
Movement in the year - Asset Revaluation Reserve		1,040,144	(1,040,144)	-
Closing balance as at 30 June 2024		951,761	-	951,761
Surplus / (deficit) for the year		**(2,051,596)**	-	**(2,051,596)**
Other comprehensive income		-	-	-
Transfer from retained earnings		-	-	-
Closing balance as at 30 June 2025		**(1,099,835)**	-	**(1,099,835)**

Statement of cash flows

for the year ended 30 June 2025

	Notes	2025 $	2024 $
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		**6,277,329**	6,448,480
Donations and Grants		**30,091**	-
Receipts from other reporting unit / controlled entity(s)*		**127,885**	-
Interest		**3**	16
Other		**16,186**	31
Cash used			
Suppliers and employees		**(5,307,394)**	(6,274,979)
Short term lease payments		-	-
Interest payments and other finance costs		**(374,558)**	(55,586)
Payment to other reporting units / controlled entity(s)*		**(506,144)**	(325,237)
Net cash provided by / (used in) operating activities	12b	**263,398**	(207,275)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	2,230,362
Other		-	-
Cash used			
Purchase of plant and equipment and intangibles		**(135,900)**	(2,437,235)
Other		-	-
Net cash (used in) investing activities		**(135,900)**	(206,873)
FINANCING ACTIVITIES			
Cash received			
Contributed funds		-	-
Other		-	361,146
Cash used			
Repayment of lease liabilities		-	-
Other		**(53,389)**	-
Net cash (used in) financing activities		**(53,389)**	361,146
Net increase / (decrease) in cash held		**74,109**	(53,002)
Cash & cash equivalents at the beginning of the reporting period		**66,523**	119,525
Cash & cash equivalents at the end of the reporting period	3 / 12a	**140,632**	66,523

The above statement should be read in conjunction with the notes accompanying the financial statements.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies

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*. For the purpose of preparing the general-purpose financial statements, the Union is a 'not for profit' entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, 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.

The financial report covers the Union as an individual reporting unit.

Accounting Policies

(a) Income Tax

The Union is registered under the Fair Work (Registered Organisations) Act 2009 and is believed to be exempt from income tax including capital gains tax, by virtue of the provisions of s.50-1 of the Income Tax Assessment Act 1997. It still has an obligation for fringe benefits tax and goods and services tax.

(b) Property, Plant and Equipment

Property, plant and equipment are measured on a fair value basis. At each reporting date, the value of assets in this asset class is reviewed to ensure that it does not differ materially from the asset's fair value at that date.

Depreciation

Depreciation is calculated on the prime cost and diminishing value methods and is brought to account *over* the estimated economic lives of all buildings, motor vehicles, equipment, furniture and fittings. Depreciation rates applied are:

	2025 & 2024
Buildings	2.5%
Motor Vehicles	15% - 25%
Furniture and Office Equipment	10% - 40%
Fixtures and Fittings	10% - 40%

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies (cont'd)

(c) Employee Benefits

Short-term employee benefits

Provision is made for the Union's obligation for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and vesting sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Union's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as part of current trade and other payables in the statement of financial position.

Other long-term employee benefits

Provision is made for employee's long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are also measured using the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Union's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Union does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Superannuation

Contributions are made by the Union to employee superannuation funds and are expensed when incurred. The Union is not obliged to contribute to these funds other than to meet its liabilities under the superannuation guarantee system and is under no obligation to make up any shortfall in the funds' assets to meet payments due to employees.

The number of employees at the end of the period was 31 (2024: 30).

(d) Revenue

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.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Summary of Accounting Policies (cont'd)

(d) Revenue (Cont'd)

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.

Membership subscriptions

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

As there is only one distinct membership service promised in the arrangement, the 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 is required.

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 goods 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.

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Union transfer the services.

In circumstances where the criteria for a contract with a customer are not met, the Union will recognise levies as income upon receipt.

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) 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 to any related liabilities.

During the year, the Union did not receive cash consideration from the following arrangements whereby that consideration was recognised as income upon receipt:

- donations and voluntary contribution from members (including whip around); and government grants.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Summary of Accounting Policies (cont'd)

(d) Revenue (Cont'd)

Volunteer services

During the year, the Union received no volunteer services. In those circumstances where it does receive volunteer services and the fair value of the volunteer services can be measured reliably, the Union recognises the fair value of volunteer services received as income together with a corresponding expense where the economic benefits of the volunteer services are consumed as the services are acquired. Where the volunteer services will contribute to the development of an asset, the fair value is included in the carrying amount of that asset.

Income recognised from transfers

Where, as part of an enforceable agreement, the Union receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Union's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceedings and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

Interest revenue is recognised on an accrual basis using the effective interest method.

(e) Goods and Services Tax (GST)

Revenue, 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 assets or as part of an item of the expense. Receivables and payables in the statement of financial position are shown inclusive of GST.

(f) Cash and Cash Equivalents

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash on hand, cash at bank and investments in money market instruments.

(g) Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is the date that the Union commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments (except for trade receivables) are initially measured at fair value plus transaction costs except where the instrument is classified as "at fair value through profit or loss" in which case transaction costs are expensed to profit or loss immediately. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

Trade receivables are initially measured at the transaction price if the trade receivables do not contain a significant financing component or if the practical expedient was applied as specified in AASB15: *Revenue from Contracts with Customers.*

Classification and subsequent measurement

Financial liabilities

Financial liabilities are subsequently measured at:

- amortised cost; or
- fair value through profit or loss.

A financial liability is measured at fair value through profit or loss if the financial liability is:

- a contingent consideration of an acquirer in a business combination to which AASB3: Business Combinations applies;
- held for trading; or
- initially designated as fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense in the profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:

- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit-taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in effective hedging relationships).

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk in other comprehensive income enlarges or creates an accounting mismatch, then these gains or losses should be taken to profit or loss rather than other comprehensive income.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

A financial liability cannot be reclassified.

Financial Assets

Financial assets are subsequently measured at:

- amortised cost;
- fair value through other comprehensive income; or
- fair value through profit or loss.

Measurement is on the basis of two primary criteria:

- the contractual cash flow characteristics of the financial asset; and
- the business model for managing the financial assets.

A financial asset that meets the following conditions is subsequently measured at amortised cost:

- the financial asset is managed solely to collect contractual cash flows; and
- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates.

A financial asset that meets the following conditions is subsequently measured fair value through other comprehensive income:

- the contractual terms within the financial asset give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding on specified dates; and
- the business model for managing the financial asset comprises both contractual cash flows collection and the selling of the financial asset.

By default, all other financial assets that do not meet the measurement conditions of amortised cost and fair value through other comprehensive income are subsequently measured at fair value through profit or loss.

The entity initially designates a financial instrument as measured at fair value through profit or loss if:

- it eliminates or significantly reduces a measurement or recognition inconsistency (often referred to as an "accounting mismatch") that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different basis;
- it is in accordance with the documented risk management or investment strategy and information about the groupings is documented appropriately, so the performance of the financial liability that is part of a group of financial liabilities or financial assets can be managed and evaluated consistently on a fair value basis; and
- it is a hybrid contract that contains an embedded derivative that significantly modifies the cash flows otherwise required by the contract.

The initial designation of financial instruments to measure at fair value through profit or loss is a one-time option on initial classification and is irrevocable until the financial asset is derecognised.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

Equity instruments

At initial recognition, as long as the equity instrument is not held for trading or is not a contingent consideration recognised by an acquirer in a business combination to which AASB3 applies, the entity made an irrevocable election to measure any subsequent changes in fair value of the equity instruments in other comprehensive income, while the dividend revenue received on underlying equity instruments investment will still be recognised in profit or loss.

Regular way purchases and sales of financial assets are recognised and derecognised at settlement date in accordance with the Union's accounting policy.

Derecognition

Derecognition refers to the removal of a previously recognised financial asset or financial liability from the statement of financial position.

Derecognition of financial liabilities

A liability is derecognised when it is extinguished (i.e. when the obligation in the contract is discharged, cancelled or expires). An exchange of an existing financial liability for a new one with substantially modified terms, or a substantial modification to the terms of a financial liability, is treated as an extinguishment of the existing liability and recognition of a new financial liability.

The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities, is recognised in profit or loss.

Derecognition of financial assets

A financial asset is derecognised when the holder's contractual rights to its cash flows expires, or the asset is transferred in such a way that all the risks and rewards of ownership are substantially transferred.

All the following criteria need to be satisfied for the derecognition of a financial asset:

- the right to receive cash flows from the asset has expired or been transferred;
- all risk and rewards of ownership of the asset have been substantially transferred; and
- the entity no longer controls the asset (i.e. has no practical ability to make unilateral decision to sell the asset to a third party).

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

On derecognition of a debt instrument classified as fair value through other comprehensive income, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss.

On derecognition of an investment in equity which the entity elected to classify under fair value through comprehensive income, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

The entity recognises a loss allowance for expected credit losses on:

- financial assets that are measured at amortised cost or fair value through other comprehensive income;
- lease receivables;
- contract assets;
- loan commitments that are not measured at fair value through profit or loss; and
- financial guarantee contracts that are not measured at fair value through profit or loss.

Loss allowance is not recognised for:

- financial assets measured at fair value through profit or loss; or
- equity instruments measured at fair value through other comprehensive income.

Expected credit losses are the profitability-weighted estimate of credit losses over the expected life of a financial instrument. A credit loss is the difference between all contractual cash flows that are due and all cash flows expected to be received, all discounted at the original effective interest rate of the financial instrument.

The entity used the following approaches to impairment, as applicable under AASB9:

- the general approach;
- the simplified approach;
- the purchased or originated credit-impaired approach; and
- low credit risk operational simplification.

General approach

Under the general approach, at each reporting period, the entity assesses whether the financial instruments are credit-impaired, and:

- If the credit risk of the financial instrument has increased significantly since initial recognition, the entity measures the loss allowance of the financial instruments at an amount equal to the lifetime expected credit losses; and
- If there is no significant increase in credit risk since initial recognition, the entity measures the loss allowance for the financial instrument at an amount equal to 12-month expected credit losses.

Simplified approach

The simplified approach does not require tracking of changes in credit risk at every reporting period, but instead requires the recognition of lifetime expected credit loss at all times.

This approach is applicable to:

- trade receivables; and
- lease receivables.

In measuring the expected credit loss, a provision matrix for trade receivables is used taking into consideration various data to get to an expected credit loss (i.e. delivery of its customer base, appropriate groupings of its historical loss experience, etc.).

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies (cont'd)

(g) Financial Instruments (cont'd)

Purchased or originated credit-impaired approach

For financial assets that are considered to be credit-impaired (not on acquisition or originations), the Union measures any change in lifetime expected credit loss as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. Any adjustment is recognised in profit or loss as an impairment gain or loss.

Evidence of credit impairment includes:

- significant financial difficulty of the issuer or borrower;
- a breach of contract (e.g. default or past due event);
- a lender has granted to the borrower a concession, due to the borrower's financial difficulty, that the lender would not otherwise consider;
- the likelihood that the borrower will enter bankruptcy or other financial reorganisation; and
- the disappearance of an active market for the financial asset because of financial difficulties.

Low credit risk operational simplification approach

If a financial asset is determined to have low credit risk at the initial reporting date, the entity assumes that the credit risk has not increased significantly since initial recognition and, accordingly, can continue to recognise a loss allowance of 12-month expected credit loss.

In order to make such a determination that the financial asset has low credit risk, the entity applies its internal credit risk ratings or other methodologies using a globally comparable definition of low credit risk.

A financial asset is considered to have low credit risk if:

- there is a low risk of default by the borrower;
- the borrower has a strong capacity to meets its contractual cash flow obligations in the near term; and
- adverse changes in economic and business conditions in the longer term, may, but not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

Recognition of expected credit losses in financial statements

At each reporting date, the Union recognises the movement in the loss allowance as an impairment gain or loss in the statement of profit and loss and other comprehensive income.

The carrying amount of financial assets measured at amortised cost includes the loss allowance relating to that asset.

Assets measured at fair value through other comprehensive income are recognised at fair value with changes in fair value recognised in other comprehensive income. The amount in relation to change in credit risk is transferred from other comprehensive income to profit or loss at every reporting period.

For financial assets that are unrecognised (e.g. loan commitments yet to be drawn, financial guarantees), a provision for loss allowance is created in the statement of financial position to recognise the loss allowance.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies (cont'd)

(h) Trade and other receivables

Trade and other receivables are recognised initially at fair value and generally due for settlement within 30 days.

For trade receivables that do not have a significant financing component, the Union applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Union has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Union recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Union expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Union considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Union may also consider a financial asset to be in default when internal or external information indicates that the Union is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(i) Trade and other payables

Trade payables and other accounts payable are recognised when the Union becomes obliged to make future payments resulting from the purchase of goods and services. Trade accounts payable are normally settled within 30 days.

(j) Fair Value of Assets and Liabilities

Financial instruments are initially measured at cost on trade date, which includes the transaction costs, when the related contractual rights or obligations exist.

Subsequent to the initial recognition, the Administrator assesses whether there is objective evidence that a financial instrument has been impaired. A prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen, impairment losses are recognised In the Income Statement.

The Union measures some of its assets and liabilities at fair value on either a recurring or non-recurring basis, depending on the requirements of the applicable Accounting Standard.

Fair value is the price the Union would receive to sell an asset or would have to pay to transfer a liability in an orderly (i.e.. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies (cont'd)

(0) Fair Value of Assets and Liabilities (Cont'd)

As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset or liability. The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data.

To the extent possible, market information is extracted from either the principal market for the asset or liability (i.e. the market with the greatest volume and level of activity for the asset or liability) or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset or minimises the payments made to transfer the liability, after taking into account transaction costs).

For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

The fair value of liabilities may be valued, where there is no observable market price in relation to the transfer of such financial instruments, by reference to observable market information where such instruments are held as assets. Where this information is not available, other valuation techniques are adopted and, where significant, are detailed in the respective notes to the financial statements.

(k) Leases

At inception of a contract, the Union assesses if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Union where the Union is a lessee. However all contracts that are classified as short-term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating expense on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Union uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows:
- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Union anticipates to exercise a purchase option, the specific asset is deprecated over the useful life of the underlying asset.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

1. Statement of Significant Accounting Policies (cont'd)

(k) Leases (cont'd)

Concessionary Leases

For leases that have significantly below-market terms and conditions principally to enable the Union to further its objectives (commonly known as peppercorn/concessionary leases), the Union has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

The Union as Lessor

If the Union leases floor space in their buildings to external parties, upon entering into each contract as a lessor, it assesses if the lease is a finance or operating lease.

The contract is classified as a finance lease when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases not within this definition are classified as operating leases. Rental income received from operating leases is recognised on a straight-line basis over the term of the specific lease.

Initial direct costs incurred in entering into an operating lease (e.g. legal cost, cost to setup) are included in the carrying amount of the leased asset and recognised as an expense on a straight-line basis over the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(l) Operating Segment

The Union is incorporated under the Fair Work (Registered Organisations) Act 2009 and domiciled in Australia.

The Union operates predominantly in one business and geographical segment, being a representative body of health services in Victoria, providing professional and member services, information and advice including industrial relations advice, dispute resolution, training (business, occupational health and safety), changes to acts and legislation, changes to award rates of and work practices to members of the Union.

(m) Critical Accounting Estimates and Judgements

The Committee of Management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Union.

Key Estimates - Impairment

The Union assesses impairment at each reporting date by evaluating conditions specific to it that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined and reflected in the financial report.

Note 1: Summary of Significant Accounting Policies (cont'd)

(n) Going Concern

The financial statements have been prepared on a going concern basis. In making this assessment, management has considered all available information about the future, including the Union's current financial position, operating results, and cash flow forecasts. Based on this assessment, management believes the Union is able to pay its debts as for at least 12 months from the date of signing these financial statements.

The Health Services Union of Australia Victoria No 1 Branch is a branch of the National Health Services Union and is able to be supported by the remainder of the Union should the need arise.

There are no material uncertainties that may cast significant doubt on the Union's ability to continue as a going concern.

(o) Acquisition of assets and or liabilities that do not constitute a business combination

The Union did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, or a restructuring of branches or a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the Fair Work (Registered Organisations) Act 2009.

(p) New Accounting Standards for Application in Future Periods

No new but not yet operative standards are expected to significantly impact the Union's future operations on adoption.

(q) Correction of Prior Period Errors

During the year ended 30 June 2025, the Union identified that amounts for inventory, trade receivables, trade payables, subscriptions and expenses had been misstated in the financial statements for the year ended 30 June 2024. These constituted material prior period errors as per AASB 108 that needed correction.

Nature of the Errors

An amount of inventory relating to donated gift packs from L'oreal had been incorrectly brought to account as inventory.

An amount in receivables had been incorrectly brought to account as revenue not in accordance with the Branches policy of recognising income.

Correction Method

In accordance with AASB 108.42(a)–(b), the errors have been corrected retrospectively—restating the comparative amounts for the 2024 period and adjusting the opening balance of retained earnings as at 1 July 2024.

Impact on Financial Statements

Line Item	Previously Reported 2024	Adjustments	Restated 2024
Current Assets	$1.608 million	-$0.852 million	$0.756 million
Current Liabilities	$1.573 million	+$0.035 million	$1.608 million
Surplus / (Deficit) for the year	$0.060 million	–$0.887 million	-$0.827 million
Retained Earnings (1 July 2024)	$1.839 million	–$0.887 million	$0.952 million

Description and Quantification

- The error correction reduced the operating surplus to a deficit by $0.887 million.
- Comparative figures for the 2024 year have been adjusted accordingly.

Opening Balance Adjustment

As per AASB 108.42(b), opening retained earnings for 1 July 2024 was decreased by $0.887 million to reflect the corrected cumulative error.

2. Information to be provided to Members, Commission, Regulated Organisation Commission

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-section (1), (2) and (3) of Section 272 which reads as follows: -

(1) A Member of an organisation, or the Commissioner, may apply to the organisation for specified prescribed information in relation to the organisation 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 organisation.

(3) An organisation must comply with an application made under subsection (1).

	2025 $	2024 Restated $	2024 $
3. Cash and Cash Equivalents			
Cash at bank	**140,386**	65,961	65,961
Petty Cash	**246**	562	562
Short term deposits	**-**	-	-
Other	**-**	-	-
Total cash and cash equivalents	**140,632**	66,523	66,523

4. Trade & other receivables			
Trade Receivables	**590,556**	640,566	865,565
Less: Bad debts written off	**-**	-	-
Net Trade Debtors	**590,556**	640,566	865,565
Sundry Debtors	**12,893**	-	-
Total Trade and other receivables	**603,449**	640,566	865,565

Receivables primarily comprise amounts due from customers for membership contributions. The carrying value of receivables at year end was $590,556 (FY2024: $640,566). *Certain prior-year amounts have been restated following the identification of overstatements in previously reported balances.* No formal repayment terms are in place; however, classification reflects management's assessment of expected collection timeframes.

Ageing of Trade Receivables:

	2025 $	2024 Restated $	2024 $
0-1 year	**590,556**	640,566	621,114
1-2 years	**-**	-	244,451
> 2 years	**-**	-	-
No set terms*	**-**	-	-
	590,556	640,566	865,565

There is no significant concentration of credit risk with any single counterparty, and no collateral is held over receivable balances.

5. Other Assets

	2025	2024 Restated	2024
	$	$	$
Merchandise and Stationery - at cost	-	-	627,027
Prepayments	42,224	49,316	49,316
Total	42,224	49,316	676,343

During the past period, the Union recognised an expense of $627,027 (2024 – nil) to write-down the value of merchandise items.
These items were originally gifted to the Union at no cost by L'oreal. Due to the fact they were received for free, and because there is no reliable information to show they had any realizable value, they should not have been recognised as assets in either the prior year or the current year. As a result, the merchandise has now been recorded at a value of $0.
A review identified several issues - such as theft, damage, age, and general deterioration - which confirmed that the items no longer held any economic value for the Union. Management also confirmed that the remaining items were distributed to members at no cost during the year, as they could not generate any financial benefit for the Union.

6. Property, Plant and Equipment

	2025	2024 Restated	2024
		$	$
Land and buildings - at valuation 2024	**-**	1,793,500	1,793,500
Land and buildings – at valuation 2025	**1,450,000**	-	-
Less: Accumulated depreciation	**-**	(26,903)	(26,903)
	1,450,000	1,766,597	1,766,597
Fixtures and fittings - at cost	**20,715**	-	-
Less: Accumulated depreciation	**(7,855)**	-	-
	12,860	-	-
Motor vehicles - at cost	**457,461**	457,461	457,759
Less: Accumulated depreciation	**(75,451)**	(22,219)	(22,219)
	382,010	435,242	435,540
Computer equipment - at cost	**179,943**	671,191	690,226
Computer equipment - at valuation	**-**	-	94,376
Less: Accumulated depreciation	**(100,093)**	(397,954)	(397,954)
	79,849	273,237	386,648
Office equipment - at cost	**176,172**	189,669	132,312
Office equipment – at valuation	**-**	-	57,357
Less: Accumulated depreciation	**(136,481)**	(153,043)	(153,043)
	39,691	36,626	36,626
	1,964,410	2,511,702	2,625,411

At 30th June 2024 the land and buildings at 10 / 663 Victoria Street Abbotsford were revalued by the Committee of Management based on the estimated market value of the property based on a contract of sale.

At 30th June 2025 the land and buildings at 10 / 663 Victoria Street Abbotsford were independently revalued on 30th July 2025 by Adriano Russo AAPI a Certified Practising Valuer and a Director – Valuation & Advisory Services of CBRE Valuations Pty Limited Level 34, 8 Exhibition Street, Melbourne, Victoria, 3000

6. Property, Plant and Equipment (cont'd)

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current year.

		Land & Buildings	Office Equipment	Computers and IT	Motor Vehicles	Furniture & Fixtures	Total
At cost	**30th June 2024**	**1,793,500**	**189,669**	**671,191**	**457,461**	**-**	**3,111,820**
	Additions	**15,822**	**35,743**	**13,112**	**-**	**20,715**	**85,393**
	Disposals	**-**	**-**	**-**	**-**	**-**	**-**
	Write off	**(359,322)**	**(49,240)**	**(504,361)**	**-**	**-**	**(912,923)**
	30th June 2025	**1,450,000**	**176,172**	**179,943**	**457,461**	**20,715**	**2,284,291**
Depreciation	**30th June 2024**	**26,903**	**153,043**	**397,954**	**22,219**	**-**	**600,118**
	Additions	**44,837**	**17,585**	**54,530**	**53,232**	**7,855**	**178,040**
	Disposals	**-**	**-**	**-**	**-**	**-**	**-**
	Write off	**(71,741)**	**(34,147)**	**(352,391)**	**-**	**-**	**(458,278)**
	30th June 2025	**-**	**136,481**	**100,093**	**75,451**	**7,855**	**319,880**

		Land & Buildings	Office Equipment	Computers and IT	Motor Vehicles	Furniture & Fixtures	Total
At cost	30th June 2023	1,950,000	189,669	644,989	410,010	-	3,194,668
	Additions	1,793,500	-	26,202	460,467	-	2,280,169
	Disposals	(1,950,000)	-	-	(413,017)	-	(2,363,017)
	30th June 2024	1,793,500	189,669	671,191	457,461	-	3,111,821
Depreciation	30th June 2023	-	142,120	343,445	66,394	-	551,958
	addition	26,903	10,923	54,509	8,720	-	101,055
	disposal	-		-	(52,895)	-	(52,895)
	30th June 2024	26,903	153,043	397,954	22,219	-	600,118
Book value	30th June 2024	1,766,597	36,626	273,237	435,242	-	2,511,702
	30th June 2025	**1,450,000**	**39,691**	**79,849**	**382,010**	**12,860**	**1,964,410**

7. Current liabilities - Trade and other payables

	2025	2024 Restated	2024
	$	$	$
Trade payables	**787,231**	272,340	275,181
ATO interest payable	**9,345**	48,841	-
PAYG Payable	**599,151**	90,551	287,662
Superannuation Payable	**39,469**	29,037	29,037
BAS payable	**312,168**	242,083	176,682
Other payables	**211,799**	120,583	-
	1,959,163	803,435	768,562

Creditors and accruals are settled within the terms of payments offered, which is usually 30 days. These balances are unsecured, and no interest is applicable on these accounts.

8. Provisions

	2025	2024 Restated	2024
Current	$	$	$
Annual Leave and Long Service Leave	**1,118,519**	516,121	516,121
Non-Current			
Annual Leave and Long Service Leave	**13,026**	139,987	139,987

Of the amounts owing to above, they are payable as follows: -

	Annual Leave & Other Entitlements		Long Service Leave		Total	
	2025	2024	**2025**	2024	**2025**	2024
	$	$	$	$	$	$
Officeholders	**100,952**	88,081	**181,601**	128,941	**282,553**	217,022
Other Staff	**543,977**	328,041	**305,015**	111,045	**848,992**	439,086
Total	**644,929**	416,122	**486,616**	239,986	**1,131,545**	656,108

There were no provisions at year end for separation and redundancy and / or other employee amounts, except as stated above (2024: $nil).

Employee Provisions

Employee provisions represent amounts accrued for annual leave, ADOs and long service leave.

The current portion for this provision includes the total amount accrued for annual leave entitlements, ADOs and the amounts accrued for long service leave entitlements that have vested due to employees having completed the required period of service. Based on past experience, the Union does not expect the full amount of annual leave, ADO or long service leave balances classified as current liabilities to be settled within the next 12 months. However, these amounts must be classified as current liabilities since the Union does not have an unconditional right to defer the settlement of these amounts in the event employees wish to use their leave entitlement.

The non-current portion for this provision (if any) includes amounts accrued for long service leave entitlements that have not yet been vested in relation to those employees who have not yet completed the required period of service.

9. Interest Bearing Debt

	2025 $	2024 Restated $	2024 $
Current			
Hire Purchase Liability	**107,136**	98,161	98,161
Loans - Unsecured	**591,253**	190,000	190,000
	698,389	288,161	288,161
Non-current			
Hire Purchase Liability	**218,437**	333,892	333,892
Loans - Unsecured	**-**	348,160	348,160
	218,437	682,052	682,052

10. Equity - retained surpluses / (accumulated deficits)

	2025 $	2024 Restated $	2024 $
Retained surpluses at the beginning of the financial year	**951,761**	1,778,707	1,778,707
Surplus / (deficit) after income tax expense for the year	**(2,051,596)**	(826,946)	60,253
Retained surpluses / (accumulated deficit) at the end of the financial year	**(1,099,835)**	951,761	1,838,959

11. Employee Benefits

Employee benefits paid / accrued during the period

	Elected Officials		Other Staff		Total	
	2025 $	2024 $	2025 $	2024 $	2025 $	2024 $
Wages and Salaries	**1,103,763**	763,366	**2,370,467**	2,425,762	**3,474,230**	3,189,129
Annual Leave / ADOs	**97,929**	(16,370)	**130,877**	(21,748)	**228,806**	(38,118)
Long Service Leave	**131,844**	14,129	**112,993**	51,873	**244,837**	66,002
Superannuation	**144,800**	77,884	**236,023**	274,421	**380,823**	352,305
Other Benefits	**54,867**	38,535	**189,748**	132,807	**244,615**	171,342
Total	**1,533,203**	877,544	**3,040,108**	2,863,115	**4,573,311**	3,740,660

There were no expenses this year or in 2024 to elected officers for separation and redundancy, nor other employee expenses including retirement allowances. In respect of other staff, total separation and redundancy costs amounted to $nil (2024: $nil). No other employee expenses were incurred in respect of these staff during the year.

12 Cash Flow Information

	2025 $	2024 $
a. Reconciliation of Cash		
Cash at the end of the reporting period is reconciled to the related items in the statement of financial position as follows: -		
Cash at Bank	**140,386**	65,961
Cash on Hand	**246**	562
	140,632	66,523

b. Reconciliation of Net Cash provided by / (used in) Operating Activities to Surplus / (Deficit)

Surplus / (Deficit) for the year	**(2,051,596)**	60,253
Non-Cash Items		
Loss on Asset Disposals	**-**	55,805
Depreciation	**184,973**	168,366
Asset Impairment Expense	**454,645**	-
Changes in operating Assets and Liabilities		
(Increase) / Decrease in Receivables and Other Assets	**44,209**	244,107
Increase / (Decrease) in Employee Benefits	**475,437**	27,884
Increase / (Decrease) in Trade Creditors and Accruals	**1,155,730**	(486,111)
(Increase) / Decrease in Sundry Debtors	**-**	(277,579)
Net Cash provided by / (used in) Operating Activities	**263,398**	(207,275)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

13. Related Party Information

a. The names or persons who formed part of the Committee of Management at any time during or after the reporting period were: -

President R Barclay	Secretary D Asmar	Trustee S. Stone A. Hargraves
Assistant Secretary D. Eden		
Senior Vice-President L Atkinson	Junior Vice-President S. Jacks	
T Legassick L Fisher A Ioanidis	V Mitchell N Katsis D McCullum	K Vasiliadis D Stratton D Harika

Names of persons in management:
(Interim Administrator 23 December 2024 – 24 June 2025) and
(Administrator 25 June 2025 – to date)

C Donnelly

b. **Names of key management personnel at any time during the year**

D Asmar	D Eden	C Donnelly
L Atkinson	N Katsis	H Salem
R Barclay	D Harika	

	2025 (Salary) Short Term Benefits $	2025 Post Employment Benefits $	2025 Total $	2024 (Salary) Short Term Benefits $	2024 Post Employment Benefits $	2024 Total
Key Management Personnel Remuneration	**1,326,530**	**144,800**	**1,471,330**	1,228,325	143,267	1,371,592

	Annual Leave & ADOs $	Long Service Leave $	Total $	Annual Leave & ADOs $	Long Service Leave $	Total $
Annual Leave, ADOs and Long Service Leave Accrued for Key Management Personnel During the Year	**189,309**	**254,003**	**443,313**	121,929	169,442	291,371

No termination benefits or share based payments were received, nor performance bonuses by staff or elected officers.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

13. Related Party Information (Cont'd)

The officeholders received no 'non-cash' benefits other than motor vehicle usage during the year. No officeholder of the Union during the period had any material personal interest in a matter that he/she has or did acquire, or a relative of the officeholder has or did acquire.

No officeholder or officer of the Union received any remuneration because they were a member of, or held position with a Board or other organisation because: -

i) The officeholder held such a position with the Board or other organisation only because they were an officeholder of the Union; or

ii) They were nominated for the position by the Union; or

iii) They received remuneration from any third party, in connection with the performance of their duties as officeholders of the Union.

Other transactions between the Committee Members and the Union were conducted on normal commercial terms in respect of subscriptions and supply of any goods and services.

Honorariums of $11,600 (2024: $12,000) were paid to Committee of Management members this year.

e. Transactions with National Office, Branches and Related entities

	2025 $	2024 $
During the period, the Union incurred to the National Office a per capita payment (capitation fees) calculated in accordance with the rules.	**370,677**	327,659
During the period the Union paid the National Office affiliation fees to be on paid to the ACTU	**87,265**	99,473
During the year, the Union paid the National Office reimbursement of expenses for the National Executive and National Council	**614**	11,115
During the year the year the National Office reimbursed the Branch for the Interim Administrators costs to 25th June 2025	**127,855**	-
Amounts receivable at reporting date - National Office and other branches	**54,488**	59,255
Amounts (payable) at reporting date - National Office and other branches	**(40,482)**	(24,288)

f. Other Disclosures

The Union previously entered into a 'bare trust' arrangement with Health Education Federation Ltd and its controlled entity (HEF), wherein all income and expenses relating to the provision of training, pursuant to a contract with the Department of Health and Human Services, vested with the Union. The contract with DHHS no longer exists and all activities of HEF have ceased. Ms. D Asmar remains the director of HEF. She is not remunerated for this role, nor has she any entitlement to the net assets held by HEF.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

14. Commitments

Capital expenditure commitments as at 30 June 2025 & 2024 - $nil.

	2025 $	2024 $
Hire Purchase Commitments		
< 1 year	**130,448**	106,997
1 - 5 years	**230,770**	367,830
	361,218	474,827
Less Future Finance Charges	**(35,644)**	(42,774)
Net Liabilities	**325,574**	432,053

There are no variable payments pertaining to these hire purchase liabilities.

15. Contingent Liabilities

As at 30 June 2025, the HWU has the following contingent liabilities:

The HWU is defending proceedings in the Magistrates Court of Victoria initiated by a former officer alleging underpayment of leave entitlements. Without admission of liability, the HWU has recognised a contingent liability of approximately $74,865 for the purpose of these financial statements. At this stage, the timing and amount of any potential outflow cannot be reliably measured. Based on management's assessment, a payment is possible but not probable.

2. Cornwall's Lawyers – Invoice Dispute

The HWU is disputing professional fees and disbursement charges issued by Cornwall's Lawyers totalling $228,295 for work undertaken during FY25. As at 30 June 2025, the balance outstanding relating to Federal Court proceeding VID917/2024 is $108,001.75. Of this amount, the HWU has paid $20,000.00, with $88,001.75 remaining in dispute.

The HWU does not accept liability for the full invoiced amount. Without admission, the HWU has recognised a contingent liability of $44,000 (representing 50% of the disputed balance outstanding of $88,001.75, as at 30 June 2025).

Management continues to monitor both matters and will reassess the contingent liability position in future reporting periods as new information becomes available.

16. Segment Reporting

The Union Provides services to members employed in the Health Industry within Victoria.

17. Union's Details

The principal place of business of the Union is:
10 / 663 Victoria Street
ABBOTSFORD VIC 3067

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

18. Financial Instruments

a. Financial Risk Management

The Union's financial instruments consist of deposits with banks, accounts receivable and payable.

The Union does not have any derivative instruments at 30 June 2025 (2024: $nil). The purpose of the financial instruments is to finance the operations of the union.

i Treasury Risk Management

The Administrator, where necessary, analyses the Union's interest rate exposure to evaluate treasury management strategies in the context of the most recent economic conditions.

ii Financial Risk

The main risks the Union is exposed to through its financial instruments are liquidity risk, interest rate risk and credit risk.

Foreign Currency

The Union is not exposed to fluctuations in foreign currency.

Liquidity Risk

The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

Credit Risk

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

The Union has credit risk exposure under financial transactions entered into by it.

Notes to and-Forming Part of the Financial Statements for the Year Ended 30 June 2025

18. Financial Instruments (cont'd)

a. Interest Rate Risk

The Union's exposure to interest rate risks and the effective interest rates of financial assets and liabilities both recognised and unrecognised are as follows:

	Financial Instruments	Floating Interest Rate		Fixed Interest Rate maturing in less than 1 year		Fixed Interest Rate maturing in 1 year or more		Non-Interest Bearing		Total Carrying Amount as per Statement of Financial Position		Weighted Average Effecting Interest Rate	
(i)	Financial Assets	**2025** $	2024 $	**2025** $	2024 $	**2025** $	2024 $	**2025** $	2024 $	**2025** $	2024 $	**2025** %	2024 %
	Cash and Cash Equivalents	**140,386**	65,961	**-**	-	**-**	-	**246**	562	**140,632**	66,523	**2.80**	2.80
	Receivables	**-**	-	**-**	-	**-**	-	**603,449**	865,565	**603,449**	865,565	**n/a**	n/a
	Other Financial Assets	**-**	-	**-**	-	**-**	-	**42,224**	676,343	**42,224**	676,343	**n/a**	n/a
	Total	**140,386**	65,961	**-**	-	**-**	-	**645,919**	1,542,470	**786,305**	1,608,431		
(ii)	Financial Liabilities												
	Interest Bearing Debt	**-**	-	**616,921**	288,161		682,052	**-**	-	**-**	970,213	**8.20**	8.20
	Payables	**-**	-	**-**	-		-	**1,118,519**	768,562	**1,118,519**	768,562	**n/a**	n/a
	Non-Interest Bearing Liabilities	**-**	-	**-**	-		-	**-**	-	**-**	-	**n/a**	n/a
	Total	**-**	-	**616,921**	288,161	**-**	682,052	**1,118,519**	768,562	**1,118,519**	1,738,775		
	Net Financial Assets / (Liabilities)	**140,386**	65,961	**(616,921)**	(288,161)	**-**	(682,052)	**(472,600)**	773,908	**(332,214)**	(130,344)		

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

18. Financial Instruments (cont'd)

c. Net Fair Values

The net fair value of the investments in commercial bills/securities at 30 June 2025 is estimated at $nil (2024: $nil). The net fair value of the Union's other financial assets and financial liabilities are not expected to be significantly different from the class of assets and liabilities as disclosed above and recognised in the statement of financial position as at 30 June 2025.

d. Sensitivity Analysis

Interest rate risk

The Union has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current period results and equity which could result from a change in this risk.

Interest rate sensitivity analysis

At 30 June 2025, the effect on profit and equity as a result of changes in interest rates, with all other variable remaining constant, would be as follows:

	2025 $	2024 $
Change in profit		
Increase in interest rate by 2%	5,882	1,319
Decrease in interest rate by 2%	(5,882)	(1,319)
Change in equity		
Increase in interest rate by 2%	5,882	1,319
Decrease in interest rate by 2%	(5,882)	(1,319)

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

19. Fair Value Measurement

The Union measures and recognises the following assets and liabilities at fair value on a recurring basis after initial recognition:

- financial assets at fair value through profit or loss;
- available-for-sale financial assets; and
- freehold land and buildings.

The Union does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis.

a. Fair Value Hierarchy

AASB 13: *Fair Value Measurement* requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurements into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1	Level2	Level3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The Union selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected are consistent with one or more of the following valuation approaches:-

Market approach: valuation techniques that use prices and other relevant information generated by market transactions for identical or similar assets or liabilities.

Income approach: valuation techniques that convert estimated future cash flows or income and expenses into a single discounted present value.

Cost approach: valuation techniques that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Union gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

19. Fair Value Measurement (cont'd)

a. Fair Value Hierarchy (cont'd)

The following tables provide the fair values of the Union's assets and liabilities measured and recognised on a recurring basis after initial recognition and their categorisation with the fair value hierarchy.

	30 June 2025			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss:				
Available-for-sale financial assets:				
Total financial assets recognised at fair value				
Non-financial assets				
Freehold land & buildings		1,450,000		1,450,000
Total non-financial assets recognised at fair value		1,450,000		1,450,000

	30 June 2024			
	Level 1	Level 2	Level 3	Total
	$	$	$	$
Recurring fair value measurements				
Financial assets				
Financial assets at fair value through profit or loss:				
Available-for-sale financial assets:				
Total financial assets recognised at fair value				
Non-financial assets				
Freehold land & buildings		1,766,597		1,766,597
Total non-financial assets recognised at fair value		1,766,597		1,766,597

b. Valuation Techniques and Inputs Used to Measure Level 2 Fair Values

Description	Fair Value at 30 June 2025	Valuation Technique(s)	Inputs Used

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

	$	
Non-financial assets		
Freehold land & buildings	Market approach using recent observable market data for similar properties; income approach using discounted cash flow methodology	Price per square meter, borrowing rate

19. Fair Value Measurement (cont'd)

c. Disclosed Fair Value Measurements

The following assets and liabilities are not measured at fair value in the statement of financial position, but their fair values are disclosed in the notes:-

accounts receivable and other debtors;
accounts payable and other payables; and
hire purchase liabilities.

The following table provides the level of the fair value hierarchy within which the disclosed fair value measurements are categorised in their entirety and a description of the valuation techniques(s) and inputs used:

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
Assets			
Accounts receivable and other debtors	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets

Description	Fair Value at Hierarchy Level	Valuation Technique(s)	Inputs Used
Liabilities			
Accounts payable and other payables	3	Income approach using discounted cash flow methodology	Market interest rates for similar assets
Hire purchase liabilities	2	Income approach using discounted cash flow methodology	Current commercial borrowing rates for similar instruments

20. Affiliation Fees

	2025 $	2024 $
Australian Labor Party	95,314	96,946
ACTU	87,265	99,473
Bendigo Trades Hall Council	1,070	2,003
Ballarat Regional Trade Council	5,036	4,850
Geelong Trades Hall Council	6,028	4,248
South-West Trades & Labour	209	-
Trades Hall Council	98,763	68,730
Sundry	-	3,024
	293,685	279,274

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

21 Revenue

The tables below set out revenue and its disaggregation by source and type of customer.

Source of Revenue:	2025	2024 Restated	2024
	$	$	$
Revenue from contracts with customers			
Member subscriptions	**6,240,212**	6,383,318	6,726,059
Sponsorship	-	-	-
	6,240,212	6,383,318	6,726,059
Revenue from furthering objectives			
Grants and / or donations	**30,091**	-	-
	30,091	-	-
Other revenue			
Wage reimbursement from National Office	**127,885**	-	-
Interest	**3**	16	16
Insurance	**15,349**	-	-
Other	**837**	30	31
	144,074	46	47
Total Revenue by Source	**6,414,377**	**6,383,364**	**6,726,106**

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

22. Revenue (Cont'd)

	2025 $	2024 Restated $	2024 $
Type of Customer:			
Revenue from contracts with customers			
Members	**6,240,212**	6,383,318	6,726,059
Government Departments	-	-	-
Other parties	-	-	-
	6,240,212	6,383,318	6,726,059
Revenue for furthering objectives			
Government	-	-	-
Other parties	**30,091**	-	-
Other revenue			
Other parties	**144,047**	46	47
Total Revenue by Customer Type			
Revenue by Type of Customer			
Members	**6,240,212**	6,383,318	6,726,059
Other persons	-	-	-
Government Departments			
Government	-	-	-
	6,414,377	**6,383,364**	**6,726,106**

All revenue is sourced in Australia. There are no unsatisfied performance obligations.

Notes to and Forming Part of the Financial Statements for the Year Ended 30 June 2025

23. Other Disclosures

The Union did not receive nor is it reliant upon financial support from any other reporting unit during the year, it didn't provide support to any other reporting entity to facilitate operations as a going concern.

Except as disclosed in the Statement of Profit and Loss, there were no payables to employers as consideration for the employers making payroll deductions of membership subscriptions at reporting date (2024: $Nil).

Included in trade payables is $533,715 (2024: $101,986) payable for legal costs. Of the 2025 amount, $nil (2024: $nil) was for litigation, $533,715 (2024: $101,986) for other matters.

No fees or allowances were paid to people attending a conference or other meeting as a representative of the Union this year, except as already disclosed.

There were no payables / receivables with another reporting unit at reporting date, except as disclosed in Note 13.

The Union did not make a payment to any former related entity during the year. For the financial year

ended 30 June 2025:

-there was no applicable fund or account operated in respect of compulsory levies, voluntary contributions or required by the rules of the Union; and

-there was no transfer and/or withdrawal from a fund, account, asset or controlled entity which is kept for a specific purpose; and

- there was no balance held within the general fund (except as disclosed as Retained Earnings), nor any compulsory or voluntary contributions as funds invested in specific assets.

24. Subsequent Events

Employee Entitlement Settlements

Subsequent to year end, between 1 July 2025 and 31 October 2025, the Branch processed a number of employee departures. As a result, the HWU made payments relating to employee entitlement provisions totalling approximately $678,679, which includes an ex-gratia payment of $16,923 to staff who resigned or were terminated during this period.

These events are considered non-adjusting subsequent events, as the related conditions did not exist at 30 June 2025. Accordingly, no adjustments have been made to the amounts recognised in the financial statements as at reporting date.

Management has reviewed the financial impact of these events and determined that they do not affect the Branch's ability to continue as a going concern. Following these settlements, the Branch expects an improvement in operational cashflows.

Other Subsequent Events

Other than the matters described above, no other subsequent events have occurred after the reporting date that require adjustment to, or disclosure in, the financial statements.

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Independent Auditor's Report to the Members of

Health Services Union Victoria No 1 Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of the Health Services Union Victoria No 1 Branch (the reporting unit), which comprises the statement of financial position as at 30th June 2025, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30th June 2025, notes to the financial statements, including material accounting policy information, 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 the Health Services Union Victoria No 1 Branch as at 30th June 2025, 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.

Emphasis of Matter – Going Concern

I draw attention to Note 1(n) in the financial statements, which describes management's assessment of the Branch's ability to continue as a going concern. While management has implemented plans to improve liquidity and financial performance, these plans are subject to significant execution risk. Accordingly, a material uncertainty exists that may cast doubt on the Branch's ability to continue as a going concern. My opinion is not modified in respect of this matter.

Registered Audit Company 291969

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Nexia Australia

Emphasis of Matter – Restatement of Comparative Information

I draw attention to Note 1(q) of the financial statements, which describes the restatement of comparative information following the correction of prior period errors in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. The comparative figures for the year ended 31st December 2024 have been restated accordingly. My opinion is not modified in respect of this matter.

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

The Administrator 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 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 the financial report.

As part of an audit in accordance with the 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. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. 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 my audit.

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

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter because, in my opinion, it has been appropriately addressed by the reporting unit and is not considered material in the context of the audit of the financial report as a whole:

a) meetings of the committee of management were not held in accordance with the rules of the organisation including the rules of a branch concerned for reasons including that the offices on the committee of management were vacated by way of court order, and the scheme of administration ordered by the court operates and applies to the reporting unit notwithstanding anything in the rules; and

b) the financial affairs of the reporting unit were not managed in accordance with the rules of the organisation including the rules of a branch concerned for reasons including that the offices on the committee of management were vacated by way of court order, and the scheme of

administration ordered by the court operates and applies to the reporting unit notwithstanding anything in the rules; and

c) the financial records of the reporting unit may not have been kept and maintained in accordance with the *Fair Work (Registered Organisations) Act 2009* for reasons including that significant financial information of the reporting unit appears to have been irretrievably deleted.

[redacted] [redacted]

Nexia Melbourne Audit Pty Ltd **Andrew Wehrens**

Melbourne **Director**

31st December 2025

Registration number (as registered by the Commissioner under the RO Act): AA2017/56

Holder of a Current Certificate of Public Practice – CAANZ Member Number 79117

Fair Work Commission

9 December 2025

Charlie Donnelly
Administrator
Health Services Union-Victoria No. 1 Branch
Sent via email: Charlie.Donnelly@hwu.org.au

Dear Charlie Donnelly

Health Services Union-Victoria No.1 Branch
Request for extension of time to hold the general meeting of members for the financial year ended 30 June 2025 – (FR2025/141)

I acknowledge receipt on 8 December 2025 of a request for an extension of time to hold a meeting under section 266 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) of the Health Services Union-Victoria No. 1 Branch (the **reporting unit**) for the year ended 30 June 2025. I also thank you for meeting with me on 8 December 2025 to further discuss the events that have led to you making the extension of time request.

Subsection 266(1) of the RO Act provides that when the financial report is presented to a general meeting of members, a meeting is required to be held within the period of 6 months after the end of the financial year, that is by 31 December 2025. Subsection 265(5) enables the General Manager, upon application by a reporting unit, to extend the period by no more than one month.

As the Delegate of the General Manager, I have carefully considered this application and the circumstances in which it has been made.

Reasons for extension of time

The reporting unit has advised that due to a change in accounting firm and registered auditor, who were not provided with access to previous audit files, the time taken to prepare the 30 June 2025 financial report and subsequently to complete the audit has taken longer than expected.

You have indicated that you are confident that the full report will be available to members within the next week and that you propose to hold a general meeting of members on 14 January 2026.

Decision to grant the extension of time to provide members with a copy of the full or concise report

Having considered your reasons, I allow an extension of time for a period of one month, until **31 January 2026**, to hold the general meeting of members of the reporting unit for the year ended 30 June 2025.

I remind the reporting unit of its obligations under subsection 265(5)(a) of the RO Act that a copy of the full or concise report must be provided to members at least 21 days before the general meeting of members.

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely



Patrick Coyle
Delegate of the General Manager
Fair Work Commission