



**Australian Government**  
**Registered Organisations Commission**

14 February 2019

Ms Grainne O'Loughlin  
President  
Health Services Association of New South Wales

By e-mail: [ed@hsansw.org.au](mailto:ed@hsansw.org.au)  
[edhsansw@gmail.com](mailto:edhsansw@gmail.com)

Dear Ms O'Loughlin

**Health Services Association of New South Wales**  
**Financial Report for the year ended 30 June 2018 - FR2018/237**

I acknowledge receipt of the amended financial report for the year ended 30 June 2018 for the Health Services Association of New South Wales. The financial report was lodged with the Registered Organisations Commission (ROC) on 12 February 2019.

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

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan'.

**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**

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# **The Health Services Association of New South Wales**

**ABN: 42 052 498 932**

**Financial Report  
For the year ended 30 June 2018**

# Contents

Operating Report	3
Committee of Management Statement	5
Certificate of Prescribed Designated Officer	6
Committee of Management Expenditure Report	7
Statement of Profit or Loss and Other Comprehensive Income	8
Statement of Financial Position	9
Statement of Changes in Funds	10
Statement of Cash Flows	11
Notes to and forming part of the financial statements	12
Officer Declaration Statement	22
Independent Auditor's Report	23

## Operating Report – Health Services Association of NSW for the year ended June 2018

The Committee of Management presents its operating report on the Reporting Unit for the year ended June 2018.

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

The Association is the representative body for publicly funded (NSW and Commonwealth) government and non-government public health providers. The role of the Association is to provide a valued collective voice for our members, as an integral component of the health service.

The operating result for the year ended 2017/18 is a deficit of \$23,866 (2016/17: deficit \$76,103).

There were no significant changes in the nature of activities during the year.

### Significant changes in financial affairs

There have been no significant changes to the financial affairs of the Association during the reported period.

### Right of Members to resign

Subject to the rules of the organisation and Section 174 of the Fair Work (Registered Organisation) Act 2009, members have the right to resign from membership by giving written notice to the Secretary at any time during the course of the membership year. Section 2.8 of the Constitution of Health Services Association of New South Wales, adopted 4 March 2016 refers.

### Trustee of Superannuation Entity

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 of the organisation.

### Number of members

The number of members as at 30 June 2018 and the comparison with last year is as follows

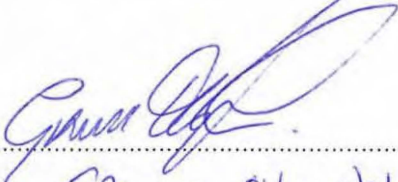
	2018	2017
Member	12	12

### Number of employees - 0

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

Committee Member	Position Held
Stephen Lowndes	President (resigned 4 June 2018)
Grainne O'Loughlin	President (appointed 4 June 2018)
Gerard Hyde	Vice - President
Robert Mills	Honorary Treasurer
Shelley Castree-Coad	Executive Member (resigned 24 November 2017)
Mary Dowling	Executive Director

All members of the Committee of Management held positions for the entire reporting period unless indicated otherwise

Signature of designated officer:  .....

Name and title of designated officer: Grainne O'Loughlin, President, HSA .....

Dated: 1<sup>st</sup> February 2019 .....

## Health Services Association of NSW Committee of Management Statement for the year ended June 2018

On 01/02/2019 the Health Services Association of NSW Executive Management Committee passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended June 2018:

The Health Services Association of NSW Executive Management Committee declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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 information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (v) 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 Executive Management Committee.

Signature of designated officer: .....

Name and title of designated officer: .....

Dated: .....



Grainne O'Laughlin, President HSA

1/2/2019

**Health Services Association of NSW**

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

Certificate By Prescribed Designated Officer<sup>1</sup>

Certificate for the year ended June 2018

I Grainne O'Loughlin being the President of the Health Services Association of NSW certify:

- that the documents lodged herewith are copies of the full report for the Health Services Association of NSW for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 6<sup>th</sup> February 2019 via email distribution and by publishing on the Health Services Association website, and
- that the full report was presented to a Committee of Management meeting on 6<sup>th</sup> February 2019 as per the requirements outlined in the Registered Organisation Commission letter to the Health Services Association dated 22<sup>nd</sup> January 2019.

Signature of prescribed designated officer:.....



Name of prescribed designated officer:.....

Grainne O'Loughlin

Title of prescribed designated officer:.....

President HSA, NSW

Dated:.....

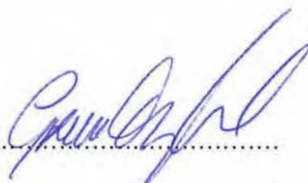
6<sup>th</sup> February 2019

**Health Services Association of NSW**  
s.268 Fair Work (Registered Organisations) Act 2009  
for the year ended June 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended June 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	115,996	79,579
Audit Fees	3,500	3,500
Donations to political parties	-	-
Legal costs	59,377	70,753

Signature of prescribed designated officer:.....



Name of prescribed designated officer:.....

Grainne O'Laughlin

Title of prescribed designated officer:.....

President, HSA

Dated:.....

1/2/2019'



# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Note	June 2018 \$	June 2017 \$
<b>Revenue</b>			
Member Subscriptions		88,280	-
Interest		6,731	8,366
Grants and Donations		-	-
Revenue from recovery of wages activity		-	-
Other Revenue		59,996	68,863
<b>Total Revenue</b>		<b>155,007</b>	<b>77,229</b>
<b>Expenses</b>			
Employee Expenses		-	-
Capitation fees and other expense to another reporting unit		-	-
Administration Expenses		115,996	79,079
Grants and Donations		-	-
Depreciation and Amortisation		-	-
Legal Costs		59,377	70,753
Audit Fees		3,500	3,500
Other Expenses		-	-
<b>Total Expenses</b>	4	<b>178,873</b>	<b>153,332</b>
<b>Surplus/(Deficit) for the year</b>		<b>(23,866)</b>	<b>(76,103)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(23,866)</b>	<b>(76,103)</b>

This statement should be read in conjunction with the notes to the financial statements

# Statement of Financial Position

As at 30 June 2018

	Note	June 2018 \$	June 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6a	354,237	355,570
Trade and other receivables	6b	6,235	24,458
Other Assets		<u>3,076</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>		<u>363,548</u>	<u>380,028</u>
<b>TOTAL ASSETS</b>		<u><b>363,548</b></u>	<u><b>380,028</b></u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7a	20,029	11,280
Income in Advance		-	1,363
<b>TOTAL CURRENT LIABILITIES</b>		<u>20,029</u>	<u>12,643</u>
<b>TOTAL LIABILITIES</b>		<u>20,029</u>	<u>12,643</u>
<b>NET ASSETS</b>		<u><b>343,519</b></u>	<u><b>367,385</b></u>
<b>EQUITY</b>			
Retained Earnings		<u>343,519</u>	<u>367,385</u>
<b>TOTAL EQUITY</b>		<u><b>343,519</b></u>	<u><b>367,385</b></u>

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

## Statement of Changes in Funds

For the year ended 30 June 2018

	<b>RETAINED EARNINGS</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2016</b>	443,488	443,488
Surplus/(Deficit)	(76,103)	(76,103)
<b>Balance at 30 June 2017</b>	<u>367,385</u>	<u>367,385</u>
Surplus/(Deficit)	(23,866)	(23,866)
<b>Balance at 30 June 2018</b>	<u>343,519</u>	<u>343,519</u>

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

# Statement of Cash Flows

For the year ended 30 June 2018

	Note	June 2018 \$	June 2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts from operating activities		166,501	66,644
Payments to suppliers and employees		(174,565)	(146,740)
Interest received		6,731	8,366
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	9a	<u>(1,333)</u>	<u>(71,730)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(1,333)</b>	<b>(71,730)</b>
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		355,570	427,300
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	6a	<u><b>354,237</b></u>	<u><b>355,570</b></u>

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

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Remuneration of auditors
Note 6	Current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Cash flow
Note 10	Financial instruments
Note 11	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements are general purpose financial statements that 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 the Fair Work (*Registered Organisations*) Act 2009 and the Corporations Act 2001.

For the purpose of preparing the general purpose financial statements, the Health Services Association of NSW (HSA) is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar and are presented in Australian dollars.

#### Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### New Australian Accounting Standards

No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

New standards, amendments to standards or interpretations that were issued prior to the sign off date and are applicable to future reporting periods that maybe expected to have a future financial impact on the Health Services Association of NSW include:

- AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2018)

No impact on the reported financial position and performance is expected on adoption of AASB 9.

- AASB 15: Revenue from Contracts with Customers (applicable for annual reporting periods commencing on or after 1 January 2018)

The new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales.

No impact on the reported financial position and performance is expected on adoption of AASB 15.

- AASB 16: Leases (applicable for annual reporting periods commencing on or after 1 January 2019)

When effective, this standard will replace the current accounting requirements applicable to leases in AASB 117. AASB 116 introduces a single lessees accounting model that eliminates the requirement for

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

leases to be classified as operating or finance leases.

No impact on the reported financial position and performance is expected on adoption of AASB 16.

#### Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated Depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

#### *Depreciation*

The depreciable amount of all fixed assets, is depreciated on a straight line and diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use.

CLASS OF FIXED ASSET	DEPRECIATION RATE
Plant and Equipment	10% - 20%

#### Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the statement of comprehensive income.

#### Industry and Geographical Segments

The company's activities are the Conduct of a Health Services Association in New South Wales in Australia.

#### Income Tax

The company has been advised by the Australian Taxation Office that the income of the company is exempt from the payment of income tax under section 50-15 of the Income Tax Assessment Act, 1997, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

This exemption is conditional upon the activities of the company continuing to reflect its stated objects. Accordingly, tax effect accounting has not been adopted by the company.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured regardless of when the payment is received.

Interest revenue is recognised on an accrual basis using the effective interest method. Donation income is recognised when it is received.

#### Goods and Services Tax (GST)

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

#### Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes:

- (a) Cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts, and
- (b) Investment in money market instruments

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

#### Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into 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 company.

#### Key Estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

#### Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.



**Notes to and forming part of the financial statements  
 For the year ended 30 June 2018**

**NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**Going Concern**

The Health Services Association of NSW is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

**Capitation fees and levies**

Capitation fees and levies are recognised on an accrual basis

**NOTE 2 – EVENTS AFTER THE REPORTING PERIOD**

There were no events that occurred after 30 June 2018 and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the HSA.

<b>NOTE 3- INCOME</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3a: Capitation fees and other revenue</b>		
Capitation fees	-	-
Other Revenue	-	-
<b>Total Capitation Fees and Other Revenue from other reporting unit</b>	<u>-</u>	<u>-</u>
<b>Note 3b: Levies</b>	-	-
<b>Note 3c: Interest</b>		
Deposits	6,731	8,366
Loans	-	-
<b>Note 3d: Grants and Donations</b>	-	-

Notes to and forming part of the financial statements  
 For the year ended 30 June 2018

**NOTE 3- INCOME (CONT'D)**

	2018 \$	2017 \$
<b>Note 3e: Other Income</b>		
Sponsorship - Functions	2,727	-
Legal Fee Reimbursement – Members	57,269	68,863
<b>Total Other Income</b>	<u>59,996</u>	<u>68,863</u>

**NOTE 4- EXPENSES**

<b>Note 4a: Employee Expenses</b>	-	-
<b>Note 4b: Capitation fees</b>	-	-
<b>Note 4c: Affiliation fees</b>	-	-
<b>Note 4d: Grants and Donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total Grants or Donations</b>	<u>-</u>	<u>-</u>
<b>Note 4e: Legal Costs</b>		
Litigation	-	-
Legal matters	59,377	70,753
<b>Total Legal Costs</b>	<u>59,377</u>	<u>70,753</u>
<b>Note 4f: Administration Expenses</b>		
Contractors	87,600	69,958
Office/Other Expenses	31,896	12,622
<b>Total Administration Expenses</b>	<u>119,496</u>	<u>82,580</u>
<b>Total Expenses</b>	<u>178,873</u>	<u>153,333</u>

**Notes to and forming part of the financial statements  
 For the year ended 30 June 2018**

	2018	2017
	\$	\$
<b>NOTE 5- REMUNERATION OF AUDITORS</b>		
Audit of Accounts	3,500	3,500
Other Services	1,000	1,000
Total Remuneration of Auditors	4,500	4,500
Auditors also lodge quarterly BAS on behalf of Health Services Association of NSW		
<b>NOTE 6- CURRENT ASSETS</b>		
<b>NOTE 6a: Cash and cash equivalents</b>		
Cash at Bank	354,237	355,570
<b>NOTE 6b: Trade and other receivables</b>		
Trade Receivables	6,235	21,657
Less Provision for Doubtful Debts	-	-
Total Trade Receivables	<u>6,235</u>	<u>21,657</u>
Other Receivables		
GST Receivable	3,076	2,801
Total Other Receivables	<u>3,076</u>	<u>2,801</u>
Total Trade and Other Receivables	<u>9,311</u>	<u>24,458</u>
<b>NOTE 7- CURRENT LIABILITIES</b>		
Note 7a: Trade Payables	16,902	11,280
Note 7b: Other Payables	-	1,363
Note 7c: Other Legal Matters	3,127	-
Total Trade and Other Payables	<u>20,029</u>	<u>12,643</u>
<b>Note 8- PROVISIONS</b>		
Employee Provisions	-	-

Notes to and forming part of the financial statements  
 For the year ended 30 June 2018

	2018 \$	2017 \$
<b>Note 9 – CASH FLOW</b>		
<b>Note 9a: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash Flow Statement	354,237	355,570
Balance Sheet	354,237	355,570
Difference	-	-
<b>Reconciliation of profit/ (deficit) to net cash from operating activities:</b>		
Profit/ (deficit) for the year	(23,866)	(76,103)
<b>Adjustment for non-cash Items</b>		
Depreciation/amortisation	-	-
Gain on disposal of Assets	-	-
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	15,147	(5,021)
Increase/ (decrease) in payables	7,386	9,394
<b>Net cash from (used by) operating activities</b>	<b>(1,333)</b>	<b>(71,730)</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### NOTE 10 – Financial Instruments

#### Credit Risk

Credit Risk refers to the risk that counterparty will default on its contractual obligations resulting in a financial loss to the organisation. Credit risk is managed through maintaining procedures such as the regular monitoring of the financial stability of significant customers and counterparties, ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions, as disclosed in the statement of financial position.

There is no collateral held by the organisation securing amounts receivable and other debtors.

#### Liquidity Risk

Liquidity risk arises from the possibility that The Health Services Association of NSW may encounter difficulty in settling its debts or otherwise meeting its financial obligations relating to financial liabilities. The organisation manages liquidity risk by:

- Maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows
- Surplus cash is only invested with major financial institutions (e.g.: NAB, ANZ, Westpac, Commonwealth Bank)
- Proactively monitoring the recovery of accounts receivable

#### Market Risk

The Health Services Association of NSW does not have any material exposure to market/interest rate risk.

### NOTE 10A – Financial Assets and Liabilities Fair Value Measurements

	Carrying Amount 2018 \$	Fair Value 2018 \$	Carrying Amount 2017 \$	Fair Value 2017 \$
<b>Financial Assets</b>				
Cash and Cash Equivalents	354,237	354,237	355,570	355,570
Loans and Receivables	9,311	9,311	24,458	24,458
<b>Total</b>	<b>363,548</b>	<b>363,548</b>	<b>380,028</b>	<b>380,028</b>
<b>Financial Liabilities</b>				
Borrowings	-	-	-	-
Trade and other payables	20,029	20,029	12,643	12,643
<b>Total</b>	<b>20,029</b>	<b>20,029</b>	<b>12,643</b>	<b>12,643</b>

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### NOTE 11 - 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 sub sections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

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

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### OFFICER DECLARATION STATEMENT

I, Grainne O'Loughlin, being the President of the Health Services Association of NSW, declare that the following activities did not occur during the reporting period ending 30 June 2018.

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.
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay a penalty imposed under the RO Act of the Fair Work Act 2009
- have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature of designated officer:



Name and title of designated officer: Grainne O'Loughlin  
President

Dated: 1/2/2019.

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE HEALTH SERVICES ASSOCIATION OF NEW SOUTH WALES**

**A.B.N. 42 052 498 932**

**Report on the Audit of the Financial Report**

***Opinion***

I have audited the financial report of The Health Services Association of New South Wales (The Reporting Unit), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Health Services Association of New South Wales as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards;
- 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); and
- c) complying with the Corporations Regulations 2001.

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.

**Conroy Audit & Advisory**

Principal: David Conroy FCA

ABN: 95 373 401 379

Liability limited by a scheme approved under Professional Standards Legislation.



**Address:**

Level 2/154 Elizabeth Street  
Sydney NSW 2000

T: 02 9267 9227

F: 02 9261 3384

E: david@conroyaudit.com.au



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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

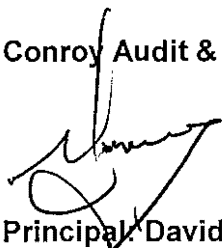
I declare that I am an auditor registered under the RO Act.

#### **Report on Other Legal and Regulatory Requirements**

I have nothing to report with regards to reporting requirements under section 257(7) of the RO Act.

The Scope of our audit did extend to recovery of wages activity, However as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.

#### **Conroy Audit & Advisory**



**Principal: David Conroy FCA**

Address: Level 2, 154 Elizabeth St Sydney NSW 2000

Dated : 5th February 2019

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

AA2017/60



22 January 2019

Ms Grainne O'Loughlin  
President  
Health Services Association of New South Wales

By e-mail: [ed@hsansw.org.au](mailto:ed@hsansw.org.au)  
[edhsansw@gmail.com](mailto:edhsansw@gmail.com)

Dear Ms O'Loughlin

**Health Services Association of New South Wales**  
**Financial Report for the year ended 30 June 2018 - FR2018/237**

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the Health Services Association of New South Wales (HSERA). The financial report was lodged with the Registered Organisations Commission (ROC) on 7 December 2018.

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

The operating report, committee of management statement and general purpose financial report (GPFR) will require amendments. The amended reports will need to be provided to members, presented to a committee of management meeting, republished on the HSERA website and lodged with the ROC.

The matters identified 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 5th edition of the Reporting Guidelines (RG) made under section 255 of the RO Act and Australian Accounting Standards.

**1. Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the ROC website. In particular, I draw your attention to the fact sheet titled *Financial reporting process* which explains the timeline requirements, and the fact sheet titled *Summary of financial reporting timelines* which sets out the timelines in diagrammatical format.

I note that the following timescale requirements were not met:

### Auditor's statement must be signed before full report provided to members

The designated officer's certificate states that the full report was provided to members on 1 November 2018. However the auditor's statement was signed on 23 November 2018. If the date on the auditor's statement is correct, it would appear that either the auditor's statement was not provided to members or that an unsigned report was provided. It is therefore necessary for the Branch to re-circulate the full report to members, including the signed version of the auditor's statement and represent to a committee of management meeting. When this has taken place a fresh designated officer's certificate and the full report need to be lodged with the ROC within 14 days of the meeting.

## **2. Operating report**

### Period of membership of committee of management

Regulation 159(c) of the RO Regulations requires the operating report to disclose the period each listed officer served on the committee of management during the reporting period. To satisfy the regulation the HSERA should disclose the dates of membership during the reporting period for each member or state that members of the committee of management held positions for the entire reporting period unless indicated otherwise.

Please amend accordingly.

### Trustee of superannuation entity

Subsection 254(2)(d) of the RO Act requires details of any officer or member of the reporting unit who is a trustee, or a director of a company that is a trustee, of a superannuation entity or an exempt public sector superannuation scheme.

If no officers or a member of the reporting unit is a trustee of a superannuation entity, the preferred wording to satisfy the subsection 254(2)(d) is:

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 of an organisation.

Please amend the operating report accordingly.

### Right to resign

Subsection 254(2)(c) requires the operating report to 'give details' of the right of members to resign from the reporting unit under section 174 of the RO Act. This requirement may be met by the inclusion of a statement that a member has the right to resign and a reference to the relevant rule which makes such provision or the complete text of the relevant resignation rule may be reproduced in the report.

Please amend the operating report to include this information.

## **3. Committee of management statement**

### Reference to s.272 & s.273

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, with effect from 1 May 2017, section 272 refers to Commissioner of the ROC instead of the General

Manager, Fair Work Commission. However, section 273 continues to refer to the Fair Work Commission (FWC).

The HSERA committee of management statement, at reference (e)(v), incorrectly refers to the 'Registered Organisations Commission'.

Please amend the committee of management statement accordingly.

#### **4. General purpose financial report (GPFR)**

##### Application of Tier 1 reporting requirements

Paragraph 8 of the reporting guidelines states:

It is a requirement that all reporting units apply the Tier 1 reporting requirements as per the Australian Accounting Standard AASB 1053 Application of Tiers of Australian Accounting Standards.

The notes to the HSERA financial statements state that they 'have been prepared in accordance with Australian Accounting Standards-Reduced Disclosure Requirements as set out in AASB 1053...'.

The HSERA is required to prepare the financial statements for the year ended 30 June 2018 in accordance with the Tier 1 reporting requirements.

Please amend the GPFR accordingly.

##### New and Future Australian Accounting Standards

Australian Accounting Standard *AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors* paragraphs 28 and 30 require that the entity disclose:

- Australian Accounting Standards adopted during the period; and
- Australian Accounting Standards issued but not yet effective with an assessment of the future impact of the standard on the entity.

This information has not been provided.

##### Notice setting out sections 272(1), (2) & (3)

Subsection 272(5) of the RO Act requires the accounts to include a copy of subsections 272(1), (2) & (3) as follows:

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

Please amend Note 10 to the HSERA GPFR to ensure that this notice is reproduced as required by the RO Act.

## Materiality

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. The 'statement of profit or loss and other comprehensive income' discloses other revenue of \$59,996, which is a material amount. This item is required to be further divided to ensure that any material items within other revenue are separately disclosed.

## Financial instruments disclosures

Australian Accounting Standard *AASB 7 Financial Instruments: Disclosures* details the reporting disclosures required by an entity in relation to financial instruments.

This information has not been provided.

## Recovery of wages activity statement

Please note that under the 5th edition of the Reporting Guidelines (RG) made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the RGs no longer require a statement in regard to recovery of wages activity in the committee of management statement.

In place of the former requirements, item 13(e) of the 5<sup>th</sup> edition RGs requires a statement in regard to recovery of wages in either the notes to the financial statements or on the face of the statement of comprehensive income.

Please amend the GPFR accordingly.

## Reporting guideline activities – not disclosed

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included the GPFR or in an officer's declaration statement.

The notes contained nil activity information for all prescribed reporting guideline categories except the following:

- Item 12 - 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
- Item 14(a) – incur fees as consideration for employers making payroll deductions of membership subscriptions
- Item 14(d) – pay compulsory levies
- Item 14(h) – pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- Item 14(i) – incur expenses due to holding a meeting as required under the rules of the organisation
- Item 14(k) – pay a penalty imposed under the RO Act or *Fair Work Act 2009*
- Item 16(a) – have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions
- Item 16(b)(i) – have a payable in respect of legal costs relating to litigation
- Item 16(b)(ii) - have a payable in respect of legal costs relating to other legal matters
- Item 19 - have another entity administer the financial affairs of the reporting unit
- Item 20 - make a payment to a former related party of the reporting unit

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**

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# **The Health Services Association of New South Wales**

**ABN: 42 052 498 932**

**Financial Report  
For the year ended 30 June 2018**



# Contents

Operating Report	3
Committee of Management Statement	4
Certificate of Prescribed Designated Officer	5
Recovery of Wages Activity	6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	10
Notes to and forming part of the financial statements	11
Directors Declaration	17
Independent Auditor's Report	18

## Operating Report – Health Services Association of NSW for the year ended June 2018

The Committee of Management presents its operating report on the Reporting Unit for the year ended June 2018.

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

The Association is the representative body for publicly funded (NSW and Commonwealth) government and non-government public health providers. The role of the Association is to provide a valued collective voice for our members, as an integral component of the health service.

The operating result for the year ended 2017/18 is a deficit of \$23,866 (2016/17: deficit \$76,103).

There were no significant changes in the nature of activities during the year.

### Significant changes in financial affairs

There have been no significant changes to the financial affairs of the Association during the reported period.

### Number of members

The number of members as at 30 June 2018 and the comparison with last year is as follows

	2018	2017
Member	12	12

### Number of employees - 0

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

Committee Member	Position Held
Stephen Lowndes	President (resigned 4 June 2018)
Grainne O'Loughlin	President (appointed 4 June 2018)
Gerard Hyde	Vice - President
Robert Mills	Honorary Treasurer
Shelley Castree-Coad	Executive Member (resigned 24 November 2017)
Mary Dowling	Executive Director

Signature of designated officer: .....

Name and title of designated officer: ..... Grainne O'Loughlin, President HSA

Dated: ..... 19<sup>th</sup> October 2018 .....

**Health Services Association of NSW  
Committee of Management Statement  
for the year ended June 2018**

On 19 / 10 / 2018 the Health Services Association of NSW Executive Management Committee passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended June 2018:

The Health Services Association of NSW Executive Management Committee declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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 information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (v) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Executive Management Committee.

Signature of designated officer: 

Name and title of designated officer: Grainne O'Loughlin, President HSA

Dated: 19th October 2018

**Health Services Association of NSW**

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

Certificate By Prescribed Designated Officer<sup>1</sup>

Certificate for the year ended June 2018

I Grainne O'Loughlin being the President of the Health Services Association of NSW certify:

- that the documents lodged herewith are copies of the full report for the Health Services Association of NSW for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members on 1<sup>st</sup> November 2018, and
- that the full report was presented to a general meeting of members on 23<sup>rd</sup> November 2018 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....



Name of prescribed designated officer:.....

Grainne O'Loughlin

Title of prescribed designated officer:.....

President, HSA

Dated:.....

23/11/2018

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**Health Services Association of NSW**  
s.268 Fair Work (Registered Organisations) Act 2009  
for the year ended June 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended June 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	115,996	79,579
Audit Fees	3,500	3,500
Donations to political parties	-	-
Legal costs	59,377	70,753

Signature of prescribed designated officer:.....



Name of prescribed designated officer:.....

grainne o'loughlin

Title of prescribed designated officer:.....

HSA President

Dated:.....

23/11/2018

**RECOVERY OF WAGES ACTIVITY**

**For the Year Ended 30 June 2018**

No Recovery of Wages activity was carried out by the Association for the year ended 30 June 2018 (2017: Nil)

# Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2018

	Note	June 2018 \$	June 2017 \$
<b>Revenue</b>			
Member Subscriptions		88,280	-
Interest		6,731	8,366
Grants and Donations		-	-
Revenue from recovery of wages activity		-	-
Other Revenue		59,996	68,863
<b>Total Revenue</b>		<b>155,007</b>	<b>77,229</b>
<b>Expenses</b>			
Employee Expenses		-	-
Capitation fees and other expense to another reporting unit		-	-
Administration Expenses		115,996	79,079
Grants and Donations		-	-
Depreciation and Amortisation		-	-
Legal Costs		59,377	70,753
Audit Fees		3,500	3,500
Other Expenses		-	-
<b>Total Expenses</b>	4	<b>178,873</b>	<b>153,332</b>
<b>Surplus/(Deficit) for the year</b>		<b>(23,866)</b>	<b>(76,103)</b>
<b>Other comprehensive income</b>			
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year</b>		<b>(23,866)</b>	<b>(76,103)</b>

This statement should be read in conjunction with the notes to the financial statements

# Statement of Financial Position

As at 30 June 2018

	Note	June 2018 \$	June 2017 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6a	354,237	355,570
Trade and other receivables	6b	6,235	24,458
Other Assets		<u>3,076</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>		<u>363,548</u>	<u>380,028</u>
<b>TOTAL ASSETS</b>		<u>363,548</u>	<u>380,028</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7a	20,029	11,280
Income in Advance		-	1,363
<b>TOTAL CURRENT LIABILITIES</b>		<u>20,029</u>	<u>12,643</u>
<b>TOTAL LIABILITIES</b>		<u>20,029</u>	<u>12,643</u>
<b>NET ASSETS</b>		<u>343,519</u>	<u>367,385</u>
<b>EQUITY</b>			
Retained Earnings		<u>343,519</u>	<u>367,385</u>
<b>TOTAL EQUITY</b>		<u>343,519</u>	<u>367,385</u>

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



# Statement of Changes in Funds

For the year ended 30 June 2018

	<b>RETAINED EARNINGS</b>	<b>TOTAL</b>
	<b>\$</b>	<b>\$</b>
<b>Balance at 30 June 2016</b>	443,488	443,488
Surplus/(Deficit)	(76,103)	(76,103)
	<hr/>	<hr/>
<b>Balance at 30 June 2017</b>	<u>367,385</u>	<u>367,385</u>
Surplus/(Deficit)	(23,866)	(23,866)
	<hr/>	<hr/>
<b>Balance at 30 June 2018</b>	<u>343,519</u>	<u>343,519</u>

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

# Statement of Cash Flows

For the year ended 30 June 2018

	Note	June 2018 \$	June 2017 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts from operating activities		166,501	66,644
Payments to suppliers and employees		(174,565)	(146,740)
Interest received		6,731	8,366
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	9a	<u>(1,333)</u>	<u>(71,730)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>		<u>-</u>	<u>-</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		<b>(1,333)</b>	<b>(71,730)</b>
CASH AT THE BEGINNING OF THE FINANCIAL YEAR		355,570	427,300
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	6a	<u><b>354,237</b></u>	<u><b>355,570</b></u>

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

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements as set out in AASB 1053: *Application of Tiers of Australian Accounting Standards* and AASB 2010–2: *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements*, interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, the Fair Work (*Registered Organisations*) Act 2009 and the Corporations Act 2001.

For the purpose of preparing the general purpose financial statements, the Health Services Association of NSW (HSA) is a not-for-profit entity.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities. The amounts presented in the financial statements have been rounded to the nearest dollar and are presented in Australian dollars

#### Comparative amounts

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

#### Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated Depreciation and impairment losses.

Property, plant and equipment are measured on the cost basis. The carrying amount of property, plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets' employment and subsequent disposal. The expected net cash flows have not been discounted to their present values in determining recoverable amounts.

#### Depreciation

The depreciable amount of all fixed assets, is depreciated on a straight line and diminishing value basis over their useful lives to the Company commencing from the time the asset is held ready for use.

CLASS OF FIXED ASSET	DEPRECIATION RATE
Plant and Equipment	10% - 20%

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Impairment of Assets

At each reporting date, the Company reviews the carrying values of its tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed in the statement of comprehensive income.

#### Industry and Geographical Segments

The company's activities are the Conduct of a Health Services Association in New South Wales in Australia.

#### Income Tax

The company has been advised by the Australian Taxation Office that the income of the company is exempt from the payment of income tax under section 50-15 of the Income Tax Assessment Act, 1997, however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

This exemption is conditional upon the activities of the company continuing to reflect its stated objects. Accordingly, tax effect accounting has not been adopted by the company.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

#### Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured regardless of when the payment is received.

Interest revenue is recognised on an accrual basis using the effective interest method. Donation income is recognised when it is received.

#### Goods and Services Tax (GST)

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

#### Cash and Cash Equivalents

For the purpose of the statement of cash flows, cash includes:

## Notes to and forming part of the financial statements For the year ended 30 June 2018

### NOTE 1- STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

- (i) cash on hand and at call deposits with banks or financial institutions, net of bank overdrafts; and
- (ii) investments in money market instruments.

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

### Critical Accounting Estimates and Judgments

The Directors evaluate estimates and judgments incorporated into 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 company.

#### Key Estimates - Impairment

The company assesses impairment at each reporting date by evaluating conditions specific to the company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

### Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

### Going Concern

The Health Services Association of NSW is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

### Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis

### NOTE 2 – EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2018 and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the HSA.

Notes to and forming part of the financial statements  
 For the year ended 30 June 2018

<b>NOTE 3- INCOME</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3a: Capitation fees and other revenue</b>		
Capitation fees	-	-
Other Revenue	-	-
<b>Total Capitation Fees and Other Revenue from other reporting unit</b>	<u>-</u>	<u>-</u>
 <b>Note 3b: Levies</b>	 -	 -
 <b>Note 3c: Interest</b>		
Deposits	6,731	8,366
Loans	-	-
 <b>Note 3d: Grants and Donations</b>	 -	 -
 <b>NOTE 4- EXPENSES</b>		
 <b>Note 4a: Employee Expenses</b>	 -	 -
 <b>Note 4b: Capitation fees</b>	 -	 -
 <b>Note 4c: Affiliation fees</b>	 -	 -
 <b>Note 4d: Grants and Donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total Grants or Donations</b>	<u>-</u>	<u>-</u>
 <b>Note 4e: Legal Costs</b>		
Litigation	-	-
Legal matters	59,377	70,753
<b>Total Legal Costs</b>	<u>59,377</u>	<u>70,753</u>

**Notes to and forming part of the financial statements  
For the year ended 30 June 2018**

	2018 \$	2017 \$
<b>Note 4f: Administration Expenses</b>		
Contractors	87,600	69,958
Office/Other Expenses	31,896	12,622
Total Administration Expenses	119,496	82,580
<b>Total Expenses</b>	<b>178,873</b>	<b>153,333</b>
<b>NOTE 5- REMUNERATION OF AUDITORS</b>		
Audit of Accounts	3,500	3,500
Other Services	1,000	1,000
Total Remuneration of Auditors	4,500	4,500
Auditors also lodge quarterly BAS on behalf of Health Services Association of NSW		
<b>NOTE 6- CURRENT ASSETS</b>		
<b>NOTE 6a: Cash and cash equivalents</b>		
Cash at Bank	354,237	355,570
<b>NOTE 6b: Trade and other receivables</b>		
Trade Receivables	6,235	21,657
Less Provision for Doubtful Debts	-	-
Total Trade Receivables	6,235	21,657
Other Receivables		
GST Receivable	3,076	2,801
Total Other Receivables	3,076	2,801
Total Trade and Other Receivables	9,311	24,458
<b>NOTE 7- CURRENT LIABILITIES</b>		
Note 7a: Trade Payables	20,029	11,280
Note 7b: Other Payables	-	1,363
Total Trade and Other Payables	20,029	12,643
<b>Note 8- PROVISIONS</b>		
Employee Provisions	-	-

**Notes to and forming part of the financial statements  
For the year ended 30 June 2018**

	2018 \$	2017 \$
<b>Note 9 – CASH FLOW</b>		
<b>Note 9a: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement</b>		
<b>Cash and cash equivalents as per:</b>		
Cash Flow Statement	354,237	355,570
Balance Sheet	354,237	355,570
Difference	-	-
<b>Reconciliation of profit/ (deficit) to net cash from operating activities:</b>		
Profit/ (deficit) for the year	(23,866)	(76,103)
<b>Adjustment for non-cash items</b>		
Depreciation/amortisation	-	-
Gain on disposal of Assets	-	-
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	15,147	(5,021)
Increase/ (decrease) in payables	7,386	9,394
<b>Net cash from (used by) operating activities</b>	<b>(1,333)</b>	<b>(71,730)</b>

**NOTE 10 - 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 sub sections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner, a member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.



## Notes to and forming part of the financial statements For the year ended 30 June 2018

### **NOTE 10 - SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS ACT) 2009 (CTD)**

- (1) 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.
- (2) A reporting unit must comply with an application made under subsection (1)

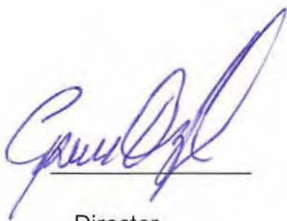
**The Health Services Association of New South Wales**  
**ABN: 42 052 498 932**

**DIRECTORS' DECLARATION**

In accordance with a resolution of the directors of The Health Services Association of New South Wales, the directors of the entity declare that:

- (a) the financial statements and notes are in accordance with the Corporations Act 2001 and:
- (i) comply with Australian Accounting Standards – Reduced Disclosure Requirements; and
  - (ii) give a true and fair view of the financial position as at 30 June 2018 and of the performance for the year ended on that date of the company, and
- (b) in their opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable

This declaration is made in accordance with a resolution of the board of directors.



Director

Date: 23/11/18



Director

Sydney

23-Nov-18

**INDEPENDENT AUDIT REPORT  
TO THE MEMBERS OF THE HEALTH SERVICES ASSOCIATION OF NEW SOUTH WALES**

**A.B.N. 42 052 498 932**

**Report on the Audit of the Financial Report**

***Opinion***

I have audited the financial report of The Health Services Association of New South Wales (The Reporting Unit), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of The Health Services Association of New South Wales as at 30 June 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards;
- 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); and
- c) complying with the Corporations Regulations 2001.

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.

**Conroy Audit & Advisory**

Principal: David Conroy FCA

ABN: 95 373 401 379

Liability limited by a scheme approved under Professional Standards Legislation.



**Address:**

Level 2/154 Elizabeth Street  
Sydney NSW 2000

T: 02 9267 9227

F: 02 9261 3384

E: david@conroyaudit.com.au

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

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

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

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

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

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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.

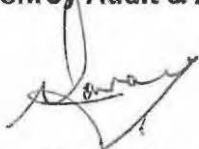
I declare that I am an auditor registered under the RO Act.

#### **Report on Other Legal and Regulatory Requirements**

I have nothing to report with regards to reporting requirements under section 257(7) of the RO Act.

The Scope of our audit did extend to recovery of wages activity, However as noted in the Committee of Management Statement, no such activity was undertaken during the reporting period.

#### **Conroy Audit & Advisory**



**Principal: David Conroy FCA**

Address: Level 2, 154 Elizabeth St Sydney NSW 2000

Dated : 23th November 2018

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

AA2017/60