

FR2007/463



**HEALTH SERVICES UNION NATIONAL OFFICE
ABN 68 243 768 561
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

TABLE OF CONTENTS

	Page No
Operating Report	1 - 2
Financial Statements	
Income Statement	3 - 4
Balance Sheet	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8 - 17
Committee of Management's Certificate	18 - 19
Designated Officer's Certificate	20
Independent Auditor's Report	21 - 22

**HEALTH SERVICES UNION NATIONAL OFFICE
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

In accordance with Section 254 of the Workplace Relations Act 1996 – Schedule 1 (Registration and Accountability of Organisations), your Committee of Management report as follows.

Principal Activities

The principal activity of the organisation during the year was that of a registered trade union. No significant change occurred in the nature of those activities during the year

Operating Result

The operating result of the organisation for the year ended 30 June 2007 was a deficit of \$38,557, (2006: deficit of \$101,016).

Significant Changes

There was no significant change in the financial affairs of the organisation during the year.

Rights of Members

Subject to the rules of the organisation and Section 174 of the Workplace Relations Act 1996 – Schedule 1 (Registration and Accountability of Organisations), members have the rights to resign from membership of the organisation by written notice addressed to and delivered to the secretary of the organisation.

Superannuation Office Holders

The following officers and/or members of the organisation are directors of companies that are trustees of superannuation funds, which require one or more of their directors to be a member of a registered organisation –

Office/Member	Trustee Company	Entity/Scheme	Position
Kathy Jackson	H.E.S.T. Australia Limited	HESTA Superfund	Director
Rob Elliot	H.E.S.T. Australia Limited	HESTA Superfund	Director
Erryn Cresshull	Health Super Pty Ltd	Health Super	Director

**HEALTH SERVICES UNION NATIONAL OFFICE
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2007**

Other Prescribed Information

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations 2003 –

- (a) The number of persons that were at the end of the financial year recorded in the register of members for Section 230 of the RAO Schedule and who were taken to be members of the registered organisation under Section 244 of the RAO Schedule was 78,844 (2006 76,235),
- (b) The number of persons who were at the end of the financial year employees of the organisation including both full and part-time employees measure on a full-time equivalent basis was 6.7 – note in addition two staff resigned effective 30/6/2007 (2006 6.0), and
- (c) The names of those who have been members of the Committee of Management of the organisation at any time during the financial year and the periods for which they held office were –

Michael Williamson, Chris Brown, Craig Thomson Kathy Jackson, David Stephens, Iris Knight, Peter Mylan, Tim Jacobson, Zita Mitchell, Dan Hill, Clem O'Shannessy, Chris Panizza, Jorge Navas, Jeff Jackson, Lloyd Williams, Terrie Seymour, and Rosemary Kelly.

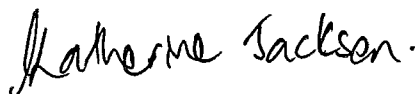
All officers held office for the entire financial year except where otherwise stated below

Other Relevant Information

Nil

Signed for and on behalf of the Committee of Management

Dated this 21st day of July 2011



Kathy Jackson
National Secretary

**HEALTH SERVICES UNION NATIONAL OFFICE
INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
INCOME			
Capitation Fees	3	1,465,154	1,346,517
National Council Levy		380,005	540,061
Branch Employee Entitlement Funding		108,683	-
Interest received		7,708	1,198
Other Income		101,377	160,817
TOTAL INCOME		2,062,927	2,048,593
EXPENSES			
Advertising & Promotions		18,295	67,787
Affiliation Fees		185,690	176,468
ACTU Industrial Campaign Fund		393,475	436,240
Audit fees		2,500	2,500
Bank charges		4,141	2,361
Branch funding		5,738	10,184
Computer expenses		1,120	15,286
Consultancy fees		84,813	31,574
Depreciation		8,939	9,436
Donations		14,214	6,114
Fringe Benefits Tax		26,386	-
Holiday pay		3,051	38,299
Honorarium		-	10,000
Insurance & Workcover		11,304	10,392
Legal costs		33,982	175,248
Long service leave		(31,244)	18,112
Motor Vehicle Expenses		82,808	64,652
National Executive/Council expenses		123,841	136,195
Payroll Tax		10,571	31,779
Photocopier lease and charges		6,317	8,681
Printing stationery & postage		67,094	58,754
Research		26,088	-
Rent & occupancy expenses		121,228	114,475
Salaries, Wages & Allowances	11	639,397	512,549
Sponsorships		8,000	2,900
Staff training and welfare		10,871	14,811
Sundry expenses		7,289	4,847

HEALTH SERVICES UNION NATIONAL OFFICE
INCOME STATEMENT (cont'd)
FOR THE YEAR ENDED 30 JUNE 2007

	Note	2007 \$	2006 \$
Superannuation		56,011	41,864
Telephone		33,540	31,826
Travelling and accommodation		146,025	116,278
TOTAL EXPENSES		<u>2,101,484</u>	<u>2,149,609</u>
OPERATING SURPLUS / (DEFICIT)		<u>(38,557)</u>	<u>(101,016)</u>

The accompanying notes form part of these financial statements

**HEALTH SERVICES UNION NATIONAL OFFICE
BALANCE SHEET
AS AT 30 JUNE 2007**

	NOTE	2007 \$	2006 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	85,648	155,927
Trade and other receivables	5	518,846	263,899
TOTAL CURRENT ASSETS		604,494	419,826
NON-CURRENT ASSETS			
Trade and other receivables	6	16,601	98,601
Plant and Equipment	7	23,678	24,341
TOTAL NON-CURRENT ASSETS		40,279	122,942
TOTAL ASSETS		644,773	542,768
CURRENT LIABILITIES			
Trade and other payables	8	552,035	383,281
Short term provisions	9	266,814	295,007
TOTAL CURRENT LIABILITIES		818,849	678,287
TOTAL LIABILITIES		818,849	678,287
DEFICIENCY OF NET ASSETS		(174,076)	(135,519)
MEMBERS FUNDS			
Accumulated Deficit		(174,076)	(135,519)
TOTAL DEFICIENCY OF MEMBERS FUNDS		(174,076)	(135,519)

The accompanying notes form part of these financial statements

**HEALTH SERVICES UNION NATIONAL OFFICE
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2007**

	Accumulated Deficit \$	Total \$
Balance at 1 July 2005	(34,503)	(34,503)
Loss attributable to the Union	(101,016)	(101,016)
Balance at 30 June 2006	(135,519)	(135,519)
Loss attributable to the Union	(38,557)	(38,557)
Balance at 30 June 2007	(174,076)	(174,076)

The accompanying notes form part of these financial statements

**HEALTH SERVICES UNION NATIONAL OFFICE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2007**

	Note	2007 \$	2006 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Capitation Fees		1,210,207	1,288,867
National Council Levies		380,005	540,061
Payments to suppliers, branches & employees		(1,951,984)	(2,122,517)
Reimbursed Wages		108,683	
Interest received		7,708	1,198
Other Income		101,377	160,817
Net cash provided by / (used in) operating activities	10b	(144,004)	(131,574)
 CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(8,275)	(8,876)
Net cash used in investing activities		(8,275)	(8,876)
 CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Loans by Branches		82,000	82,000
Net cash provided by financing activities		82,000	82,000
 Net increase / (decrease) in cash held		 (70,279)	 (58,450)
 Cash at beginning of the financial year		 155,927	 214,377
 Cash at end of the financial year	 4 / 10a	 85,648	 155,927

The accompanying notes form part of these financial statements

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES

These financial statements are a general purpose financial report that has been prepared in accordance with applicable Accounting Standards including Australian Accounting Interpretations and other mandatory professional reporting requirements. The financial statements have also been prepared on the basis of historical costs and do not take into account changing money values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the material accounting policies adopted by the entity in the preparation of the financial statements.

(a) Leases

Leases of fixed assets, where substantially all risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are amortised over their estimated useful lives. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

(b) Employee Entitlements

Provision is made for the Union's liability for employee entitlements arising from services rendered by employees to balance date. Employee entitlements expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave, which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the entity to an employee's superannuation fund and are charged as expenses when incurred.

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (cont'd)

(c) Cash and Cash Equivalents

For the purposes of the statement of cash flows, cash included cash on hand and in at call deposits with banks or financial institutions, investments in money market instruments maturing within less than three months and net of bank overdrafts.

(d) Income Tax Expense

No provision for income tax expense has been brought to account, as "Trade Unions" are exempt from income tax under Section 50 – 15 of the Income Tax Assessment Act 1997.

(e) Goods and Services Tax

Goods and Services Tax (GST) collected by the branch is brought to account as a liability with input credits in respect of GST paid reducing that liability. Accordingly, all items of income and expenditure brought to account in the financial statement is after the deduction of any applicable GST.

Receivables and payables are stated with the amount of GST included.

(f) Financial Instruments

Receivables are carried at the nominal amounts due less any allowance for doubtful debts where applicable. Receivables are unsecured and credit terms are usually 30 days.

Liabilities are recognised for amounts to be paid in the future for goods and services received as at balance date, whether or not invoices have been received. Payables are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.

(g) Economic Dependency

The National Office is not economically dependent on any other reporting unit of the organisation.

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 1: STATEMENT OF ACCOUNTING POLICIES (cont'd)

(h) Impairment of Assets

At each reporting date, the Union reviews the carrying values of its 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 assets fair value less costs to sell and value-in-use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the income statement. Where it is not possible to estimate the recoverable amount of an individual asset, the Union estimates the recoverable amount of the cash generating unit to which the asset belongs.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Workplace Relations Act 1996 – Schedule 1 (Registration and Accountability of Organisations), the attention of the members is drawn to the provisions of subsections (1), (2) and (3) of Section 272, which reads as follows:

- (1) A member of a Reporting Unit, or a Registrar, may apply to the Reporting Unit for specified prescribed information in relation to the Reporting Unit 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).

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 3: CAPTATION FEES	2007	2006
	\$	\$
New South Wales Branch	704,738	663,412
Tasmania No 1 Branch	141,399	138,640
Tasmania No 2 Branch	902	964
Victorian No 1 Branch	292,712	252,082
Victorian No 2 Branch	114,987	107,579
Victorian No 3 Branch	64,449	63,611
Victorian No 4 Branch	42,290	40,505
Victorian No 5 Branch	14,802	10,121
Western Australia No 3 Branch	88,875	69,604
Total Capitation Fees	<u>1,465,154</u>	<u>1,346,517</u>

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	76,557	96,836
Deposits at call	9,091	59,091
	<u>85,648</u>	<u>155,927</u>

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$	\$
NOTE 5: TRADE AND OTHER RECEIVABLES		
Current		
Capitation & Affiliation Fees Receivable	518,846	263,899
	<hr/>	<hr/>
NOTE 6: TRADE AND OTHER RECEIVABLES		
Non-current		
Loan – Victoria No 1 Branch	16,601	98,601
	<hr/>	<hr/>
Loan repayments have been made by the provision of serviced office facilities during the year.		
NOTE 7: PLANT & EQUIPMENT		
Office Furniture and Equipment - at cost	100,539	92,263
Less: Accumulated depreciation	(76,861)	(67,922)
	<hr/>	<hr/>
Total Office Furniture & Equipment	23,678	24,341
	<hr/>	<hr/>
NOTE 8: TRADE AND OTHER PAYABLES		
CURRENT		
Unsecured Liabilities		
Trade Creditors	552,035	383,281
	<hr/>	<hr/>
NOTE 9: SHORT TERM PROVISIONS		
CURRENT		
Employee Entitlements	266,814	295,007
NON-CURRENT		
Employee Entitlements	-	-
	<hr/>	<hr/>
Aggregate employee entitlements liability	266,814	295,007
	<hr/>	<hr/>

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

	2007	2006
	\$	\$

NOTE 10: CASH FLOW INFORMATION

(a) Reconciliation of Cash

Cash at the end of the financial year as shown in the Statements of Cash Flows is reconciled to the related items in the balance sheet as follows:

Cash at bank	76,557	96,836
At call deposits with financial institutions	9,091	59,091
	85,648	155,927

(b) Reconciliation of Cash flows provided by / (used in) Operating Activities with Profit / (Loss) after Income Tax

Profit / (Loss) after Income Tax	(38,557)	(101,016)
Non-cash flows in profit / (loss) after income tax		
Depreciation	8,939	9,436
Changes in assets and liabilities		
(Increase) / Decrease in Trade and other receivables	(254,947)	(57,650)
Increase / (Decrease) in Trade and other payables	168,754	(38,754)
Increase / (Decrease) in Short term provisions	(28,193)	56,411
Cash Flows provided by / (used in) operating activities	(144,004)	(131,573)

NOTE 11: SALARIES & WAGES

Elected Officials	165,527	159,291
Staff & Other	473,870	353,258
Total Salaries & Wages	639,397	512,549

There was no recovery of wages activity during the financial year.

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 12: FINANCIAL INSTRUMENTS

(a) Significant accounting policies

Details of the significant account and methods adopted, including the criteria for recognition, the basis for measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability, and equity instrument are disclosed in Note 1 to the financial statements.

(b) Categorisation of financial instruments

Financial assets	Note	Category	Carrying amount 2007	Carrying amount 2006
Cash and cash equivalents	4	N/A	85,648	155,927
Receivables	5	Receivables (at amortised cost)	518,846	263,899
Financial Liabilities				
Payables	8	Financial liabilities measured at amortised cost	552,035	383,281

(c) Credit Risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The divisions maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

Financial assets that are either past due or impaired

Currently the division does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

As at reporting date, there is no event to indicate that any of the financial assets are impaired.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following table discloses the aging only of financial assets that are past due but not impaired.

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 12: FINANCIAL INSTRUMENTS (cont'd)

Interest Rate exposure and aging analysis of financial assets

	Weighted average effective interest rate %	Carrying amount	Interest rate exposure				Past due by		
			Fixed interest rate	Variable interest rate	Non Interest bearing	Less than 1 Month	1-3 months	3 months – 1 year	1-5 years
2007									
Cash Assets	0.38%	85,648	-	85,648	-	-	-	-	-
Receivables		518,846	-	-	518,846	40,051	432,415	46,236	-
		604,494	-	85,648	518,846	40,051	432,415	46,236	-
2006									
Cash Assets	0.15%	155,927	-	155,927	-	-	-	-	-
Receivables		263,899	-	-	263,899	-	-	-	-
		419,826	-	155,927	263,899	-	-	-	-

(d) Liquidity Risk

Liquidity risk arises when the division is unable to meet its financial obligations as they fall due. The division operates under a policy of setting financial obligations within 30 days and in the event of a dispute, make payments within 30 days from the date of the resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets and dealing in highly liquid markets. The divisions' exposure to liquidity risk is deemed insignificant based on prior periods data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 12: FINANCIAL INSTRUMENTS (cont'd)

Interest Rate exposure and maturity analysis of financial liabilities

	Weighted average effective interest rate %	Nominal amount	Interest rate exposure			Past due by			
			Fixed interest rate	Variable interest rate	Non Interest bearing	Less than 1 Month	1-3 months	3 months – 1 year	1-5 years
2007									
Payables		552,035	-	-	552,035	-	-	-	-
		552,035	-	-	552,035	-	-	-	-
2006									
Payables		383,281	-	-	383,281	-	-	-	-
		383,281	-	-	383,281	-	-	-	-

(e) Market Risk

The divisions' exposure to market risk is primarily through interest rate risk and other price risks with no exposure to foreign currency or interest rate risk. Objectives, policies and procedures used to manage each of these risks are disclosed in the paragraphs below.

Interest rate risk

Exposure to interest rate risk might arise primarily through the division's cash and deposits. Minimisation of risk is achieved by mainly undertaking fixed rate or non-interest bearing financial instruments.

As the division does not hold any financial instruments at 30 June 2007, there is no exposure to interest rate risk or other price risks.

(f) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined as follows:

- The fair value of financial assets and financial liabilities with standard terms and conditions and traded in active liquid markets are determined with reference to quoted market prices; and
- The fair value of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

The division considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values.

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

NOTE 13: COMMITMENTS

	2007	2006
	\$	\$
Operating Lease Commitments		
Rental Properties, Motor Vehicles & Photocopiers		
Payable – minimum lease payments		
- not later than 12 months	51,742	-
- between 12 months and 5 years	86,849	-
- greater than 5 years	-	-
	-----	-----
Total Lease Liabilities	138,591	-
	=====	=====

The association has one (1) property lease, three (3) motor vehicle leases and one (1) photocopier lease.

The property, motor vehicle and photocopier leases are paid monthly in advance.

The property lease is a non-cancellable lease, each with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreements require that the minimum lease payments shall be increased by 5%. An option exists to renew each lease at the end of the five-year term for an additional term of three years. The lease allow for the sub-letting of all lease areas.

Orix Australia Corporation Limited holds a charge over the assets of the union for the operating leases on the motor vehicles.

**HEALTH SERVICES UNION NATIONAL OFFICE
COMMITTEE OF MANAGEMENT'S CERTIFICATE**

On the 21st day of June 2011 the Committee of Management of the Health Services Union National Office passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2007.

The Committee of Management declares in relation to the GPFR that in its 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 Industrial registrar;
- (c) They cannot be satisfied that the financial statements and notes give a true and fair view of the financial performance, financial position and cashflows 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;
- (e) During the financial year to which the GPFR relates and up to 30 June 2009:
 - 1) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - 2) They cannot be satisfied that 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
 - 3) They cannot be satisfied that financial records of the reporting unit have been managed in accordance with the RAO Schedule and the RAO Regulations; and
 - 4) They cannot be satisfied that financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - 5) The information sought in any request of a member of the reporting unit or a Registrar duly made under Section 272 of the RAO Schedule has been furnished to the member of the registrar; and

**HEALTH SERVICES UNION NATIONAL OFFICE
COMMITTEE OF MANAGEMENT'S CERTIFICATE (cont'd)**

- 6) There has been compliance with any order for the inspection of financial records made by the Commission under Section 253 of the RAO Schedule
- (f) Since the end of the 2008/2009 year:
- 1) Meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - 2) 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
 - 3) The financial records of the reporting unit have been managed in accordance with the RAO Schedule and the RAO Regulations; and
 - 4) The financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - 5) The information sought in any request of a member of the reporting unit or a Registrar duly made under Section 272 of the RAO Schedule has been furnished to the member of the registrar; and
 - 6) There has been compliance with any order for the inspection of financial records made by the Commission under Section 253 of the RAO Schedule

For Committee of Management:

Kathy Jackson

National Secretary



Dated this 21st day of July 2011

**HEALTH SERVICES UNION NATIONAL OFFICE
DESIGNATED OFFICER'S CERTIFICATE**

I, Natalie Bradbury, being the Senior Assistant National Secretary of the Health Services Union certify:

- (1) That the documents lodged herewith are copies of the full report referred to in Section 268 of the RAO Schedule; and
- (2) That the full report was presented to a meeting of the committee of management of the reporting unit on the 21st day of July 2011; in accordance with Section 268 of the RAO Schedule.



Natalie Bradbury
Senior Assistant National Secretary

Dated this 28th day of July 2011



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HEALTH SERVICES UNION NATIONAL OFFICE**

Report on the Financial Report

We were engaged to audit the accompanying financial report of Health Services Union National Office, which comprises the balance sheet as at 30 June 2007, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the committee of managements certificate.

Committee of Management's' Responsibility for the Financial Report

The committee of management of the Health Services Union National Office are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. Because of the matter discussed in the Basis for Disclaimer of Auditor's Opinion paragraph, we were not able to complete an audit in accordance with Auditing Standards.

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Basis for Disclaimer of Auditor's Opinion

We were not appointed as auditors of the Union until 11 May 2009. At this time certain matters were being investigated by the Australian Industrial Registrar and we were advised that the books and records of the Union had been removed from their offices and had passed through the hands of several other organisations.

As the remaining accounting and statutory records are not adequate to permit the application of necessary audit procedures, we are unable to obtain all the information and explanations we require in order to form an opinion on the financial report.



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
HEALTH SERVICES UNION NATIONAL OFFICE**

Disclaimer of Auditor's Opinion

In our opinion, because of the existence of the limitation on the scope of our work, as described in the preceding paragraph, and the effects of such adjustments, if any, as might have been determined to be necessary had the limitation not existed, we are unable to and do not express an opinion as to whether the financial report of Health Services Union National Office is in accordance with the Workplace Relations Act 1996, including:

- (a) giving a true and fair view of the Health Services Union National Office's financial position as at 30 June 2007 and of its performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996.

Report on Other Legal and Regulatory Requirements

Due to the matter described in the Basis for Disclaimer of Auditor's Opinion paragraph, we have not been given all information and explanations necessary for the conduct of the audit; and we are unable to determine whether the Health Services Union National Office has kept:

- (a) financial records sufficient to enable the financial report to be prepared and audited; and
- (b) other records and registers as required by the Workplace Relations Act 1996.

Clements Dunne & Bell

CLEMENTS DUNNE & BELL PARTNERSHIP
Chartered Accountants

Andrew Wehrens

Andrew Wehrens
Registered Company Auditor - 176520
Fellow of The Institute of Chartered Accountants in Australia - 79117
Holder of a Current Certificate of Public Practice

Melbourne

Dated: 28th day of July 2011