

FR2008/225



**HEALTH SERVICES UNION NATIONAL OFFICE
ABN 68 243 768 561
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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**HEALTH SERVICES UNION NATIONAL OFFICE
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

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 2008 was a deficit of \$60,354, (2007: deficit \$38,557).

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
Peter Mylan	Health Super Pty Ltd	Health Super	Director

**HEALTH SERVICES UNION NATIONAL OFFICE
OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2008**

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 79,141 (2007 78,844);
- (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 3.0 (2007 6.7) 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, Kathy Jackson, Natalie Bradbury, Denise Guppy, Iris Knight, Dan Hill, Zita Mitchell, Chris Panizza, Bryan Yates, Terrie Seymour, Jeff Jackson, Tim Jacobson, Clem O'Shannessy, Jorge Navas, Lloyd Williams, Rosemary Kelly and Peter Mylan.

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

Craig Thomson res December 2007, David Stephens res July 2006, Natalie Bradbury app Dec 2007, Denise Guppy app August 2006, and Bryan Yates app December 2007.

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 2008**

	Note	2008 \$	2007 \$
INCOME			
Capitation fees	3	1,425,739	1,465,154
Training			
National council levy		472,419	380,005
Branch employee entitlement			
Funding		-	108,683
Interest received		1,190	7,708
Other income		104,738	101,377
TOTAL INCOME		2,004,086	2,062,927
EXPENSES			
Advertising & promotions		36,496	18,295
Affiliation fees		187,504	185,690
ACTU Industrial campaign fund		362,275	393,475
Audit fees		2,650	2,500
Bank charges		1,247	4,141
Branch funding		585	5,738
Computer expenses		19,089	1,120
Consultancy fees		65,639	84,813
Depreciation		8,360	8,939
Donations		19,727	14,214
Doubtful debts		232,138	-
Fringe benefits tax		9,747	26,386
Holiday pay		-	3,051
Honorarium	11	20,000	-
Insurance & workcover		19,150	11,304
Legal costs		31,650	33,982
Long service leave		11,828	(31,244)
Motor vehicle expenses		66,470	82,808
National executive/Council expenses		81,401	123,841
Payroll tax		33,071	10,571
Photocopier lease & charges		5,701	6,317
Printing stationery & postage		37,151	67,094
Research		-	26,088
Rent & occupancy expenses		80,815	121,228
Salaries, wages & allowances	11	606,849	639,397
Sponsorships		35,576	8,000
Staff training & welfare		4,623	10,871
Sundry expenses		13,433	7,289

HEALTH SERVICES UNION NATIONAL OFFICE
INCOME STATEMENT (cont'd)
FOR THE YEAR ENDED 30 JUNE 2008

	Note	2008	2007
		\$	\$
Telephone		28,089	33,540
Travelling & accommodation		43,176	146,025
TOTAL EXPENSES		2,064,440	2,101,484
OPERATING SURPLUS / (DEFICIT)		(60,354)	(38,557)

The accompanying notes form part of these financial statements

**HEALTH SERVICES UNION NATIONAL OFFICE
BALANCE SHEET
AS AT 30 JUNE 2008**

	NOTE	2008 \$	2007 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	454,081	85,648
Trade and other receivables	5	332,913	518,846
TOTAL CURRENT ASSETS		786,994	604,494
NON-CURRENT ASSETS			
Trade and other receivables	6	-	16,601
Plant and Equipment	7	34,136	23,678
TOTAL NON-CURRENT ASSETS		34,136	40,279
TOTAL ASSETS		821,130	644,773
CURRENT LIABILITIES			
Trade and other payables	8	1,009,019	552,035
Short term provisions	9	46,541	266,813
TOTAL CURRENT LIABILITIES		1,055,560	818,848
TOTAL LIABILITIES		1,055,560	818,848
DEFICIENCY OF NET ASSETS		(234,430)	(174,076)
MEMBERS FUNDS			
Accumulated Deficit		(234,430)	(174,076)
TOTAL DEFICIENCY OF MEMBERS FUNDS		(234,430)	(174,076)

The accompanying notes form part of these financial statements

**HEALTH SERVICES UNION NATIONAL OFFICE
STATEMENT OF CHANGES IN EQUITY
AS AT 30 JUNE 2008**

	Accumulated Deficit \$	Total \$
Balance at 1 July 2006	(135,519)	(135,519)
Loss attributable to the Union	(38,557)	(38,557)
Balance at 30 June 2007	(174,076)	(174,076)
Loss attributable to the Union	(60,354)	(60,354)
Balance at 30 June 2008	(234,430)	(234,430)

The accompanying notes form part of these financial statements

**HEALTH SERVICES UNION NATIONAL OFFICE
CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Capitation Fees		1,379,980	1,210,207
National Council Levies		472,419	380,005
Payments to suppliers, branches & employees		(1,587,230)	(1,951,984)
Reimbursed Wages		-	108,683
Interest received		1,190	7,708
Other Income		104,738	101,377
Net cash provided by / (used in) operating activities	10b	370,651	(144,004)
 CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(18,818)	(8,275)
Net cash used in investing activities		(18,818)	(8,275)
 CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of Loans by Branches		16,601	82,000
Net cash provided by financing activities		16,601	82,000
 Net increase / (decrease) in cash held		 368,433	 (70,279)
 Cash at beginning of the financial year		 85,648	 155,927
 Cash at end of the financial year	 4 / 10a	 454,081	 85,648

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 2008**

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 employees 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 2008**

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 2008**

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 2008**

NOTE 3: CAPTATION FEES	2008	2007
	\$	\$
New South Wales Branch	705,508	704,738
South Australia Branch	5,539	
Tasmania No 1 Branch	140,201	141,399
Tasmania No 2 Branch	760	902
Victorian No 1 Branch	282,782	292,712
Victorian No 2 Branch	112,841	114,987
Victorian No 3 Branch	75,624	64,449
Victorian No 4 Branch	31,482	42,290
Victorian No 5 Branch	10,616	14,802
Western Australia No 3 Branch	75,386	88,875
Capitation Fees from branches	1,425,739	1,465,154

NOTE 4: CASH AND CASH EQUIVALENTS

Cash at bank	444,990	76,557
Deposits at call	9,091	9,091
	454,081	85,648

**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$
NOTE 5: TRADE AND OTHER RECEIVABLES		
Current		
Sundry Debtors	1,346	-
Capitation & Affiliation Fees Receivable	563,705	518,546
Less: Provision for doubtful debts	(232,138)	-
	332,913	518,546

NOTE 6: TRADE AND OTHER RECEIVABLES

Non-current

Loan – Victoria No 1 Branch	-	16,601
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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	119,357	100,539
Less: Accumulated depreciation	(85,221)	(76,861)
	42,496	23,678

NOTE 8: TRADE AND OTHER PAYABLES

CURRENT

Unsecured Liabilities

Trade Creditors	1,009,019	552,035
	1,009,019	552,035

NOTE 9: SHORT TERM PROVISIONS

CURRENT

Employee Entitlements	46,541	266,813
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Aggregate employee entitlements liability	46,541	266,813
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**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

	2008	2007
	\$	\$

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	444,990	76,557
At call deposits with financial institutions	9,091	9,091
	454,081	85,648

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

Profit / (Loss) after Income Tax	(60,354)	(38,557)
Non-cash flows in profit (loss) after income tax		
Depreciation	8,360	8,939
Doubtful Debts expense	232,138	-
Changes in assets and liabilities		
(Increase) / Decrease in Receivables	(46,505)	(254,947)
Increase / (Decrease) in Liabilities	456,984	168,754
Increase / (Decrease) in Provisions	(220,272)	(28,193)
Cash Flows provided by / (used in) operating activities	370,651	(144,004)

NOTE 11: SALARIES & WAGES

Elected Officials	230,987	165,527
Honorarium	20,000	-
Staff & other	335,244	473,870
Total Salaries & Wages	586,231	639,397

There was no recovery of wages activity during the financial year.
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**HEALTH SERVICES UNION NATIONAL OFFICE
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

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 2008	Carrying amount 2007
Cash and cash equivalents	4	N/A	454,826	85,648
Receivables	5	Receivables (at amortised cost)	322,913	518,546
Financial Liabilities				
Payables	8	Financial liabilities measured at amortised cost	1,009,019	552,035

(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 2008**

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
2008									
Cash Assets	0.18%	454,826	-	454,826	-	-	-	-	-
Receivables		332,913	-	-	332,913	39	286,638	46,236	-
		787,739	-	454,826	332,913	39	286,638	46,236	-
2007									
Cash Assets	0.38%	85,648	-	85,648	-	-	-	-	-
Receivables		518,846	-	-	518,846	40,051	432,415	46,380	-
		604,194	-	85,648	518,846	40,051	432,415	46,380	-

(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 2008**

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
2008									
Payables		1,009,019	-	-	1,009,019	-	-	-	-
		1,009,019	-	-	1,009,019	-	-	-	-
2007									
Payables		552,035	-	-	552,035	-	-	-	-
		552,035	-	-	552,035	-	-	-	-

(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 2008, 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 2008**

NOTE 13: COMMITMENTS

	2008	2007
	\$	\$
Operating Lease Commitments		
Rental Properties, Motor Vehicles & Photocopiers		
Payable – minimum lease payments		
- not later than 12 months	50,995	51,742
- between 12 months and 5 years	35,904	86,849
- greater than 5 years	-	
	-----	-----
Total Lease Liabilities	86,849	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 July 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 2008.

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

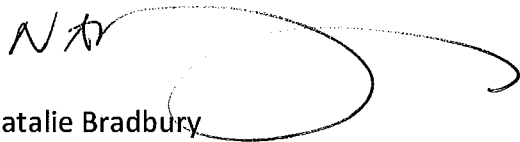


Dated this 21st day of July 2011

**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.

A handwritten signature in black ink, appearing to read 'N. Bradbury', with a large, sweeping flourish extending to the right.

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 2008, 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 2008 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

A. 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