



12 May 2014

Chris Brown  
Senior National Assistant Secretary  
Acting National Secretary  
Health Services Union National Office  
P.O. Box 20349  
World Square NSW 2002

via e-mail: [chrisb@hsu.net.au](mailto:chrisb@hsu.net.au)

Dear Mr Brown

**Health Services Union, National Office  
Financial Report for the year ended 30 June 2013 - FR2013/321**

I acknowledge receipt of supplementary information on 9 May 2014 addressing the issues raised in the letter I sent dated 23 April 2014.

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

If you have any queries regarding this letter, please contact me on (03) 8661 7675 or via email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch



## **HEALTH SERVICES UNION NATIONAL OFFICE**

### **FINANCIAL STATEMENTS**

**2012–2013**

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## HEALTH SERVICES UNION NATIONAL OFFICE

### OPERATING REPORT

#### *For the period ended 30 June 2013*

The committee presents its report on the reporting unit for the financial year ended 30 June 2013.

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

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.

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

During the year the following significant changes in financial affairs occurred.

<b>Significant Change</b>	<b>Nature of Change</b>
Revenue from Capitation fees from branches increased 72%	Capitation fees charged per member have increased progressively during the year to their 2012 levels.
Levies	No levies were charged to branches due to the Health Service union National office being suspended from the ACTU.
Administration expenses increased 53%	There was an increase in National Council and National Executive meetings and increased expenditure due to increased staffing and activity.
Legal costs decreased 21%	In 2013 there was a decrease in legal costs in relation to the investigation of misuse of union credit cards.
Other expenses increased by 103%	The increase was primarily driven by the increase in the number of National Meetings and increase expenditure on related travel and accommodation. There was also expenditure on management fees which were paid to the Tasmania No.1 branch and Western Australian Branch.
Doubtful debts	In 2012 outstanding capitation fees receivable from branches from the 2011 financial year were received which lead to the decrease in doubtful debts recognised in the statement of profit or loss and other comprehensive income.
Cash and cash equivalents decreased 20%	Cash and cash equivalents decreased due to the decrease in cash inflows from branches. In 2012 the Health Services Union National Office was suspended from the ACTU. In 2013 no ACTU affiliation fees were levied to branches.
Trade payables increased 222%	The increase in Trade payables is primarily represented by a payable to Tasmania No. 1 Branch for management services.
Other payables decreased by 80%	In 2012 other payables included an amount of \$68,076 which were credit notes for ACTU affiliation fees invoiced.
Employee Provisions increased by 378%	Increase in staffing and an adjustment to leave accruals. During the year an employee's long service leave liabilities were assumed from another reporting unit following her employment by the National Office.

**Right of members to resign**

Subject to the rules of the organisation and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the rights to resign from membership of the organisation by written notice addressed to and delivered to the secretary of the organisation.

**Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

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

<b>Officer / Member</b>	<b>Trustee Company</b>	<b>Entity / Scheme</b>	<b>Position</b>	<b>Period from / to</b>
Lloyd Williams	H.E.S.T. Australia Limited	HESTA Superfund	Director	1/7/12 to 30/6/13
Rosemary Kelly	H.E.S.T. Australia Limited	HESTA Superfund	Director	1/1/12 to 27/9/12
	First State Superannuation Trustee Corporation	FSS Super	Director	30/8/12 to 30/6/13

**Number of members**

The number of persons that were at the end of the financial year recorded in the register of members for Section 230 of Fair Work (Registered Organisations) Act 2009 and who were taken to be members of the registered organisation under Section 244 of the Fair Work (Registered Organisations) Act 2009 was 68,849, (2012: 72,455);

**Number of employees**

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 (2012: 1.5).

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

The following persons were members of the National Executive (Committee of Management) of the reporting unit during the 2012/2013 Financial Year.

Michael Williamson	National President	1 Jul 2012 to 30 Jul 2012
Chris Brown	National President	20 Sep 2012 to 30 Jun 2013
Rosemary Kelly	National Vice President	1 Jul 2012 to 30 Jun 2013
Kathy Jackson	National Secretary	1 Jul 2012 to 30 Jun 2013
Lloyd Williams	National Assistant Secretary	1 Jul 2012 to 5 Feb 2013
	Senior National Assistant Secretary	6 Feb 2013 to 30 Jun 2013
Gerard Hayes	National Executive Member	30 Nov 2012 to 13 Mar 2013
	National Assistant Secretary	14 Mar 2013 to 30 Jun 2013
Dan Hill	National Trustee	1 Jul 2012 to 30 Jun 2013
Iris Knight	National Trustee	1 Jul 2012 to 30 Jun 2013
Chris Panizza	National Executive Member	1 Jul 2012 to 30 Jun 2013
Tim Jacobson	National Executive Member	1 Jul 2012 to 30 Jun 2013
Jorge Navas	National Executive Member	1 Jul 2012 to 30 Jun 2013
Zita Mitchell	National Executive Member	1 Jul 2012 to 30 Jun 2013
Paul Healey	National Executive Member	1 Jul 2012 to 30 Jun 2013
Paul Elliott	National Executive Member	1 Jul 2012 to 30 Jun 2013
Diana Asmar	National Executive Member	21 Dec 2012 to 30 Jun 2013
Craig McGregor	National Executive Member	28 Nov 2012 to 30 Jun 2013
Andrew Lillicrap	National Executive Member	14 Mar 2013 to 30 Jun 2013

**Officers and employees who are directors of a company or a member of a board**

<b>Name of Officer</b>	<b>Name of the company or board</b>	<b>Position Held</b>	<b>Principal activities of the company or board</b>	<b>Whether position held because nominated for by the reporting unit or by a peak council</b>
Mark McLeay	National Aged Care Alliance (NACA)	HSU Representative	NACA is a representative body of peak national organisations in aged care, including consumer groups, providers, unions and health professionals, working together to determine a more positive future for aged care in Australia.	Yes – Appointed HSU National Executive
	Social Determinants of Health Alliance (SDOHA)	HSU Representative	The Social Determinants of Health Alliance (SDOHA) is a collaboration of like-minded organisations from the areas of health, social services and public policy established to work with governments to reduce health inequities in Australia.	Yes – Appointed HSU National Executive
	Australian Skills Quality Agency Management Committee Meeting: Aged & Community Care Training Strategic Industry Review	HSU Representative	A management committee to oversee the strategic review taking a whole-of-sector view to aged and community care training and identify issues and formulate solutions review.	Yes – Appointed HSU National Executive
	Community Services & Health Industry Skills Council Training Package Advisory Group	HSU Representative	The CS&HISC Joint Training Package Advisory Committee (“the TPAC”) is a strategic steering committee which provides ongoing advice and input to the CS&HISC Continuous Improvement Process for both the Health and Community Services Training Packages.	Yes – Appointed HSU National Executive
	Commonwealth Home Support Advisory Group	HSU Representative	The purpose of the Commonwealth Home Support Advisory Group is to support the overall development of the Commonwealth Home Support Program, including respite. The Advisory Group is established under the auspice of the NACA to provide independent advice to the Minister for Mental Health and Ageing.	Yes – Appointed HSU National Executive

Name of Officer	Name of the company or board	Position Held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by a peak council
Leigh Svendsen	Gig Power Pty Ltd	Director	Gig Power is an entertainment labour hire firm for roadies.	No
Linda Zutitis	Golden Rabbit Creations Pty Ltd	Director	Retail/manufacturing, trading in retail fashion	No
Chris Brown	71 Elphin Rd Pty Ltd	Director	Holds property in trust for the HSU Tasmania No.1 Branch	No
	Australian Labor Party (Tasmanian Branch) Administrative Committee	Assistant Secretary	Between State Conferences the Administrative Committee has responsibility for administering the Party.	No
	Social Determinants of Health Alliance (SDOHA)	HSU Representative	The Social Determinants of Health Alliance (SDOHA) is a collaboration of like-minded organisations from the areas of health, social services and public policy established to work with governments to reduce health inequities in Australia.	Yes – Appointed HSU National Executive
Gerard Hayes	Unions NSW Executive Committee	Executive Member	The Unions NSW executive is the committee that reflects the peak body and contributes to forming the agenda for Unions NSW activity and processes	No
	Health Services Union NSW	Secretary	The Health Services Union NSW is an organisation registered under the NSW Industrial Relations Act 1996 whose purpose is to protect and advance the interests of union members by lawful means.	No
	Our HSU Incorporated Association	President	Our HSU Inc. is an incorporated association whose objects include furthering the interests of health workers and the election of officers of the Health Services Union NSW and the HSU New South Wales.	No

Name of Officer	Name of the company or board	Position Held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by a peak council
Dan Hill	Community Services & Health Industry Skills Council Inc.	Director	CS & HISC provides the direction for workforce development for Australia's Community Services Industry by: <ul style="list-style-type: none"> <li>• Providing advice and intelligence</li> <li>• Developing skills</li> <li>• Supporting growth</li> <li>• Working in collaboration</li> </ul>	Yes – Nominated by the HSU National Executive
	Western Australian State Training Board	Board Member	The STB is a statutory body established in accordance with the Vocational Education and Training Act 1996. The Board is the peak industry training advisory body to the Minister for Training & Workforce Development in Western Australia	Yes - Nominated by Unions WA (peak union body in WA)
	Union WA Incorporated	Councillor of the Union WA Council  Alternate Member of the Executive (Management Committee)	Unions WA is the Western Australian peak Union body	No
	Health Services Union of Western Australia (Union of Workers)	Secretary by Appointment	The HSUWA is an Organisation of Employees registered under the provisions of the Industrial Relations Act 1979 (WA), whose objective is to protect and further the interests of members by any lawful means.	No
Paul Healy	6th Melbourne Scout Group Community Scout Group	Chairman	Inspiring our Scout members to become conscientious and confident community members.	No
Chris Panizza	Union WA Incorporated	Councillor of the Union WA Council Trustee on the Finance Committee  Member of the Executive (Management Committee)	Unions WA is the Western Australian peak Union body	No



Name of Officer	Name of the company or board	Position Held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by a peak council
Chris Panizza (continued)	Industrial Relations Society of Western Australia Incorporated	Committee Member (Union Representative)	The IR Society of WA is an independent, non-partisan association which encourages education, discussion and debate on a wide range of issues affecting the employer employee relationship. It is an association of industrial relations practitioners.	No
	Health Services Union of Western Australia (Union of Workers)	Assistant Secretary by appointment  Advisor to the Committee of Management and the Finance and Executive Committee	The HSUWA is an Organisation of Employees registered under the provisions of the Industrial Relations Act 1979 (WA), whose objective is to protect and further the interests of members by any lawful means.	No
Tim Jacobson	National Aged Care Alliance	HSU Representative (Sponsor)	NACA is a representative body of peak national organisations in aged care, including consumer groups, providers, unions and health professionals, working together to determine a more positive future for aged care in Australia.	Yes – Appointed by HSU National Executive
	Australian Labor Party (Tasmanian Branch) Administrative Committee	Vice President	Between State Conferences the Administrative Committee has responsibility for administering the Party.	No
	Unions Tasmania (Tasmanian Trades and Labour Council)	Vice President / Trustee  Member of Council  Member of the Officers Committee	Unions Tasmania is the Tasmanian peak Union body	No

Name of Officer	Name of the company or board	Position Held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by a peak council
Andrew Lillicrap	Health Services Union NSW	Assistant Secretary / Treasurer	The Health Services Union NSW is an organisation registered under the NSW Industrial Relations Act 1996 whose purpose is to protect and advance the interests of union members by lawful means.	No
	Our HSU Incorporated Association	Vice President	Our HSU Inc. is an incorporated association whose objects include furthering the interests of health workers and the election of officers of the Health Services Union NSW and the HSU New South Wales.	No
Jorge Navas	SA Unions Executive Committee	Executive Member	SA Unions South Australian peak Union body	No
Rosemary Kelly	Victorian Psychologists Association Inc.	Secretary / Public Officer	Organisation of psychologists promoting their industrial interests	No
	Medical Scientists Association of Victoria	Executive Officer	Registered trade union under the Victorian <i>Trade Union Act 1958</i>	No
	Victorian Trades Hall and Literary Association	Committee Member	Trustee of the Victorian Trades Hall Building	Yes - Nominated by Victorian Trades Hall Council
	Rimbanda Pty Ltd	Director	Trustee of the Rimbanda Superannuation Fund	No
Lloyd Williams	Victorian Trades Hall Council & Executive	Executive Member	Victorian Unions peak body	No
Paul Elliott	Medical Scientists Association of Victoria	Assistant Executive Officer	Registered trade union under the Victorian <i>Trade Union Act 1958</i>	No
	Victorian Trades Hall Council & Executive	Executive Member	Victorian Unions peak body	No

**Tasmania No.1 Branch**

Branch Delegates to National Council who are a director of a company or a member of a board

<b>Name of Officer</b>	<b>Name of the company or board</b>	<b>Position Held</b>	<b>Principal activities of the company or board</b>	<b>Whether position held because nominated for by the reporting unit or by a peak council</b>
John Richardson	Paramedics Australasia	National Director	Professional body for ambulance paramedics	No
	State Chapter of Paramedics Australasia	Office Bearer	Professional body for ambulance paramedics	No
Chris Webb	71 Elphin Rd Pty Ltd	Director	Property trust company for the HSU Tasmania No.1 Branch	Yes
	Tas Metalware Pty Ltd	Secretary and Director	Holding Company	No
	WICEN Tasmania (South) Inc.	Chairman	Amateur Radio Club	No
Leigh Gorringe	Dental Board of Australia: Tasmanian Dental Registration and Notification Committee	Board Member	Responsible for public safety and registered commission compliance in accordance with Health Practitioner Regulation National Law Act 2009	No
	Southern Country Golf Association Executive Committee	Executive Member	Administration of Country Golf in the southern region of Tasmania.	No
Christine Hansson	Tasmanian Wakeful Club	Committee Member	Promotion of women in horse racing and fundraise for Female Jockey Club.	No

**NSW Branch**

Branch Delegates to National Council who are a director of a company or a member of a board

Name of Officer	Name of the company or board	Position Held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by a peak council
Leanne Burns	Sterilisation Research Advisory Council	Treasurer	Research into sterilisation.	No
Mark Sterrey	RPA Sports & Social Club	Chairman	Support staff	No
Deborah Neumann	Australian Kelpie Club of NSW Inc.	President	Takes care of the breed.	No
	Chinese Crested Club of NSW	Vice President & Show Secretary	To step in and assist the President when required	No
	Cattle, Kelpie, Border Collie & German Shepherd Dog Club of NSW Inc.	Show Secretary	Organise the running of the breed shows twice a year	No

## WA Branch

Branch Delegates to National Council who are a director of a company or a member of a board

Name of Officer	Name of the company or board	Position Held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by a peak council
Cheryl Hamill	Unions WA Inc., Council	Councillor	Unions WA is the State's peak union body	No
	Health Services Union of Western Australia (Union of Workers)	President	The HSUWA is an Organisation of Employees registered under the provisions of the Industrial Relations Act 1979 (WA), whose objective is to protect and further the interests of members by any lawful means	No
Anthony Farrall	Unions WA Inc., Council	Councillor	Unions WA is the State's peak union body	No
	Health Services Union of Western Australia (Union of Workers)	Vice President	The HSUWA is an Organisation of Employees registered under the provisions of the Industrial Relations Act 1979 (WA), whose objective is to protect and further the interests of members by any lawful means	No
David Shaw	Unions WA Inc., Council	Councillor	Unions WA is the State's peak union body	No
	Health Services Union of Western Australia (Union of Workers)	Treasurer	The HSUWA is an Organisation of Employees registered under the provisions of the Industrial Relations Act 1979 (WA), whose objective is to protect and further the interests of members by any lawful means	No
Allison Beagley	Unions WA Inc., Council	Councillor	Unions WA is the State's peak union body	No
	Health Services Union of Western Australia (Union of Workers)	Committee of Management Member	The HSUWA is an Organisation of Employees registered under the provisions of the Industrial Relations Act 1979 (WA), whose objective is to protect and further the interests of members by any lawful means	No
John Shehade	Health Services Union of Western Australia (Union of Workers)	Committee of Management Member	The HSUWA is an Organisation of Employees registered under the provisions of the Industrial Relations Act 1979 (WA), whose objective is to protect and further the interests of members by any lawful means	No
	Western Australian State Branch of The Australian Orthotic Prosthetic Association Inc. (AOPA)	Vice President	The Australian Orthotic Prosthetic Association Inc. (AOPA) is the peak professional body representing orthotists / prosthetists in Australia. AOPA self regulates the profession and sets standards and codes which are upheld by the membership.	No

**Victoria No.3 Branch**

Branch Delegates to National Council who are a director of a company or a member of a board

Name of Officer	Name of the company or board	Position Held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by a peak council
Andrew Hewat	Geelong Trades Hall	Committee Member	Trade Union activities	No
	Trail Running Company	Director	Event Organising	No

**Victoria No.1 Branch**

Branch Delegates to National Council who are a director of a company or a member of a board

Name of Officer	Name of the company or board	Position Held	Principal activities of the company or board	Whether position held because nominated for by the reporting unit or by a peak council
Graeme Austin	Aboriginal Housing Board	Director	Social and appropriate housing for Aboriginal Community	No
David Eden	Davayne trading as Utopia	Director	Superannuation	No
Sandra Wills	President of Horsham Arts Council	President	Amateur drama group	No
Narije Alimi-Arslan	Albanian Women's Group	Committee member	Social activities for women	No



Signature of designated officer: .....

Name and title of designated officer: .Chris Brown – Acting National Secretary

Dated: 9th day of May 2014

## HEALTH SERVICES UNION NATIONAL OFFICE

### COMMITTEE OF MANAGEMENT'S STATEMENT

*For the period ended 30 June 2013*

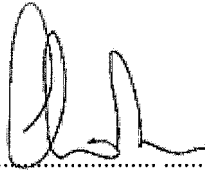
On the 16th day of October 2013 the National Executive of the Health Services Union National Office passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2013:

The National Executive 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 the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) in relation to recovery of wages activity:
  - (i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the General Manager; and
  - (ii) the committee of management instructed the auditor to include in the scope of the audit required under subsection 257(1) of the RO Act all recovery of wages activity by the reporting unit from which revenues had been derived for the financial year in respect of such activity; and
  - (iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
  - (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
  - (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.



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



Signature of designated officer: .....

Name and title of designated officer: Chris Brown – Acting National Secretary

Dated: 9th day of May 2014

## HEALTH SERVICES UNION NATIONAL OFFICE

### STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the period ended 30 June 2013

	Notes	2013 \$	2012 \$
<b>Revenue</b>			
Membership subscriptions		-	-
Capitation fees	3A	960,325	557,198
Levies	3B	-	180,167
Interest	3C	496	673
Rental revenue	3D	-	-
Other revenue		66,833	25,313
<b>Total revenue</b>		<b>1,027,654</b>	<b>763,351</b>
<b>Other Income</b>			
Grants and donations	3D	-	-
<b>Total other income</b>		<b>-</b>	<b>-</b>
<b>Total income</b>		<b>1,027,654</b>	<b>763,351</b>
<b>Expenses</b>			
Employee expenses	4A	(273,286)	(277,746)
Capitation fees	4B	-	-
Affiliation fees	4C	(600)	(174,057)
Administration expenses	4D	(207,973)	(142,893)
Grants and donations	4E	-	-
Depreciation and amortisation	4F	(7,406)	(11,048)
Legal costs	4G	(289,897)	(364,839)
Audit fees	12	(19,950)	(39,057)
Other expenses	4H	(316,914)	(155,930)
Doubtful debts		2,832	318,024
<b>Total expenses</b>		<b>1,113,194</b>	<b>847,546</b>
<b>Profit / (loss) for the year</b>		<b>(85,540)</b>	<b>(84,195)</b>
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>(85,540)</b>	<b>(84,195)</b>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes to the financial statements.

# HEALTH SERVICES UNION NATIONAL OFFICE

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2013

	Notes	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	435,757	541,429
Trade and other receivables	5B	17,517	14,920
<b>Total current assets</b>		<b>453,274</b>	556,349
<b>Non-Current Assets</b>			
Leasehold improvements	6A	4,711	7,066
Plant and equipment	6B	10,609	15,660
<b>Total non-financial assets</b>		<b>15,320</b>	22,726
<b>Total assets</b>		<b>468,594</b>	579,075
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	82,098	25,496
Other payables	7B	30,307	154,537
Employee provisions	8A	53,983	11,296
<b>Total current liabilities</b>		<b>166,389</b>	191,329
<b>Non-Current Liabilities</b>			
Employee provisions	8A	-	-
<b>Total non-current liabilities</b>		-	-
<b>Total liabilities</b>		<b>166,389</b>	191,329
<b>Net assets</b>		<b>302,206</b>	387,746
<b>EQUITY</b>			
General funds		-	-
Retained earnings		302,206	387,746
<b>Total equity</b>		<b>302,206</b>	387,746

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

## HEALTH SERVICES UNION NATIONAL OFFICE

### STATEMENT OF CHANGES IN EQUITY

*For the period ended 30 June 2013*

	<b>Retained earnings</b>	<b>Total equity</b>
	\$	\$
Balance as at 1 July 2011	471,941	471,941
Loss for the year	(84,195)	(84,195)
Closing balance as at 30 June 2012	387,746	387,746
Loss for the year	(85,540)	(85,540)
<b>Closing balance as at 30 June 2013</b>	<b>302,206</b>	<b>302,206</b>

The above statement of changes in equity should be read in conjunction with the accompanying notes to the financial statements.

## HEALTH SERVICES UNION NATIONAL OFFICE

### CASH FLOW STATEMENT

For the period ended 30 June 2013

	Notes	2013 \$	2012 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units / controlled entity(s)	9B	<b>874,733</b>	1,232,278
Interest		<b>496</b>	673
Other		<b>81,752</b>	-
<b>Cash used</b>			
Employees		<b>(233,933)</b>	(352,368)
Suppliers		<b>(622,025)</b>	(801,109)
Payment to other reporting units / controlled entity(s)	9B	<b>(206,695)</b>	(92,065)
<b>Net cash from / (used in) operating activities</b>	9A	<b>(105,672)</b>	<b>(12,591)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Net cash from / (used in) investing activities</b>		<b>-</b>	<b>-</b>
<b>FINANCING ACTIVITIES</b>			
<b>Net cash from / (used in) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase / (decrease) in cash held</b>		<b>(105,672)</b>	<b>(12,591)</b>
Cash & cash equivalents at the beginning of the reporting period		<b>541,429</b>	554,020
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>435,757</b>	<b>541,429</b>

The above statement of cash flows should be read in conjunction with the accompanying notes to the financial statements.

## HEALTH SERVICES UNION NATIONAL OFFICE

### RECOVERY OF WAGES ACTIVITY\*

For the period ended 30 June 2013

	2013	2012
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash asset's in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-

\*Statement required even though there was no recovery of wages activity

## HEALTH SERVICES UNION NATIONAL OFFICE

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## **Note 1 Summary of Significant Accounting Policies**

### **1.1 Basis of Preparation of the Financial Statements**

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

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

### **1.2 Comparative amounts**

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

### **1.3 Significant Accounting Judgements and Estimates**

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

### **1.4 New Australian Accounting Standards**

#### ***Adoption of New Australian Accounting Standard Requirements***

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 except as follows:

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

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Health Services Union National Office include:

- AASB 9: Financial Instruments (December 2010) and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) – applicable retrospectively,
- AASB 10: Consolidated Financial Statements, AASB 11: Joint Arrangements, AASB 12: Disclosure of Interests in Other Entities, AASB 127: Separate Financial Statements (August 2011) and AASB 128: Investments in Associates and Joint Ventures (August 2011) (as amended by AASB 2012-10: Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments), and AASB 2011-7: Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards,
- AASB 13: fair Value Measurement and AASB 2011-8: Amendments to Australian Accounting Standards arising from AASB 113,
- AASB 2011-4: Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements,
- AASB 119: Employee Benefits (September 2011) and AASB 2011-10: Amendments to Australian Accounting Standards arising from AASB 119



None of the above standards are expected to significantly impact of the reporting entity's financial statements.

## **1.5 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 when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## **1.6 Gains**

### ***Sale of assets***

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

## **1.7 Capitation fees and levies**

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

## **1.8 Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

## **1.9 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## **1.10 Borrowing costs**

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

## **1.11 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

## **1.12 Financial instruments**

Financial assets and financial liabilities are recognised when the Health Services Union National Office becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## **1.13 Financial assets**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### ***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### ***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

### ***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

### ***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

### ***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

#### ***Derecognition of financial assets***

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

### **1.14 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

#### ***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

#### ***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

### ***Derecognition of financial liabilities***

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

### **1.15 Contingent Liabilities and Contingent Assets**

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

### **1.16 Plant and Equipment**

#### ***Asset Recognition Threshold***

Plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

#### ***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2013</b>	2012
Leasehold improvements	<b>3 years</b>	3 years
Plant and equipment	<b>2.5 to 7.5 years</b>	2.5 to 7.5 years

#### ***Derecognition***

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

### **1.17 Intangibles**

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

#### ***Derecognition***

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

### **1.18 Impairment for non-financial assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is **not** primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the [*reporting unit*] were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

### **1.19 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

### **1.20 Taxation**

The Health Service Union National Office is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement 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.

**Note 2 Events after the reporting period**

There were no events that occurred after 30 June 2013, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Health Services Union National Office.

	<b>2013</b>	2012
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees*</b>		
HSU East	<b>120,776</b>	388,028
New South Wales Branch	<b>344,700</b>	-
South Australia Branch	<b>9,136</b>	5,528
Tasmania No.1 Branch	<b>108,771</b>	56,787
Tasmania No.2 Branch	<b>455</b>	253
Victoria No.1 Branch	<b>135,979</b>	-
Victoria No.2 Branch	<b>91,770</b>	47,576
Victoria No.3 Branch	<b>39,263</b>	-
Victoria No.4 Branch	<b>35,162</b>	18,267
Western Australia Branch	<b>74,313</b>	40,759
<b>Total capitation fees</b>	<b>960,325</b>	557,198



	2013	2012
	\$	\$
<b>Note 3B: Levies*</b>		
Levies	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Interest</b>		
Deposits	496	673
<b>Total interest</b>	<u>496</u>	<u>673</u>
<b>Note 3D: Grants or donations *</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses*</b>		
<b>Holders of office:</b>		
Wages and salaries	-	168,167
Superannuation	-	13,697
Leave and other entitlements	-	10,471
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<u>-</u>	<u>192,335</u>
<b>Employees other than office holders:</b>		
Wages and salaries	213,423	93,131
Superannuation	16,962	8,505
Leave and other entitlements	42,686	(16,225)
Separation and redundancies	-	-
Other employee expenses	215	(70)
<b>Subtotal employee expenses employees other than office holders</b>	<u>273,286</u>	<u>85,341</u>
<b>Total employee expenses</b>	<u>273,286</u>	<u>277,746</u>

	2013	2012
	\$	\$

**Note 4B: Capitation fees\***

Capitation fees	-	-
<b>Total capitation fees</b>	<b>-</b>	<b>-</b>

The Health Services Union National Office did not pay capitation fees to branches.

**Note 4C: Affiliation fees\***

ACTU Affiliation fees	-	174,057
Union Aid abroad Affiliation fees	<b>600</b>	-
<b>Total affiliation fees / subscriptions</b>	<b>600</b>	<b>174,057</b>

**Note 4D: Administration expenses**

Consideration to employers for payroll deductions*	-	-
Compulsory levies*		
Fees / allowances - meeting and conferences*	-	-
Conference and meeting expenses*	<b>73,433</b>	18,850
Consultants, bookkeeping and labour hire	<b>39,375</b>	20,977
Office expenses	<b>24,470</b>	11,470
Information communications technology	<b>21,647</b>	13,476
Other	<b>12,324</b>	19,339
<b>Subtotal administration expense</b>	<b>171,249</b>	84,112
Operating lease rentals:		
Property expenses – Rent	<b>36,724</b>	58,781
<b>Total administration expenses</b>	<b>207,973</b>	<b>142,893</b>

**Note 4E: Grants and donations\***

Grants	-	-
Donations	-	-
<b>Total grants and donations</b>	<b>-</b>	<b>-</b>

<b>2013</b>	2012
\$	\$

**Note 4F: Depreciation and amortisation**

Depreciation		
Leasehold improvements	<b>2,355</b>	3,533
Property, plant and equipment	<b>5,051</b>	7,515
<b>Total depreciation</b>	<b>7,406</b>	11,048
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	-	-
<b>Total depreciation and amortisation</b>	<b>7,406</b>	11,048

**Note 4G: Legal costs\***

Litigation	<b>144,357</b>	-
Industrial Legal	<b>11,474</b>	-
Other legal matters	<b>134,066</b>	364,839
<b>Total legal costs</b>	<b>289,897</b>	364,839

**Note 4H: Other expenses**

Penalties - via RO Act or RO Regulations*	-	-
Advertising	<b>1,636</b>	-
Bad debts	<b>3,745</b>	379
Fringe benefits tax	<b>1,164</b>	5,335
Insurance and Workcover	<b>6,193</b>	5,735
Management expense	<b>94,091</b>	-
Motor vehicle expenses	<b>32,324</b>	43,177
Payroll tax	<b>10,364</b>	5,420
Travel and accommodation	<b>167,397</b>	95,885
<b>Total other expenses</b>	<b>316,914</b>	155,931

**Note 5      Current Assets**

**Note 5A: Cash and Cash Equivalents**

Cash at bank	<b>435,757</b>	540,684
Other	-	745
<b>Total cash and cash equivalents</b>	<b>435,757</b>	541,429

2013	2012
\$	\$

**Note 5B: Trade and Other Receivables**

**Receivables from other reporting unit[s]\***

New South Wales Branch	879	-
South Australia Branch	143	-
Queensland Branch	-	2,832
Victoria No.1 Branch	9,552	-
Victoria No.2 Branch	3,014	-
Victoria No.3 Branch	3,785	-
Western Australia Branch	143	-
<b>Total receivables from other reporting unit[s]</b>	<b>17,517</b>	<b>2,832</b>

**Less provision for doubtful debts\***

Queensland Branch	-	(2,832)
<b>Total provision for doubtful debts</b>	<b>-</b>	<b>(2,832)</b>
<b>Receivable from other reporting unit[s] (net)</b>	<b>17,517</b>	<b>-</b>

**Other receivables:**

Other trade receivables	-	14,920
<b>Total other receivables</b>	<b>-</b>	<b>14,920</b>
<b>Total trade and other receivables (net)</b>	<b>17,517</b>	<b>14,920</b>

**Note 6 Non-current Assets**

**Note 6A: Leasehold improvements**

Leasehold improvements

at cost	25,500	25,500
accumulated depreciation	(20,789)	(18,434)
<b>Total leasehold improvements</b>	<b>4,711</b>	<b>7,066</b>

**Reconciliation of the Opening and Closing Balances of Leasehold improvements**

**As at 1 July**

Gross book value	25,500	25,500
Accumulated depreciation and impairment	(18,434)	(14,901)
<b>Net book value 1 July</b>	<b>7,066</b>	<b>10,599</b>

Additions:

Depreciation expense	(2,355)	(3,534)
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Disposals:

<b>Net book value 30 June</b>	<b>4,711</b>	<b>7,066</b>
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**Net book value as of 30 June represented by:**

Gross book value	25,500	25,500
Accumulated depreciation and impairment	(20,789)	(18,434)
<b>Net book value 30 June</b>	<b>4,711</b>	<b>7,066</b>

<b>2013</b>	2012
\$	\$

**Note 6B: Plant and equipment**

Plant and equipment:

at cost	149,207	149,207
accumulated depreciation	(138,598)	(33,547)
<b>Total plant and equipment</b>	<b>10,609</b>	<b>15,660</b>

**Reconciliation of the Opening and Closing Balances of Plant and Equipment**

**As at 1 July**

Gross book value	149,207	147,207
Accumulated depreciation and impairment	(133,547)	(124,032)
<b>Net book value 1 July</b>	<b>15,660</b>	<b>23,175</b>

Additions:

Depreciation expense	(5,051)	(7,515)
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Disposals:

	-	-
<b>Net book value 30 June</b>	<b>10,609</b>	<b>15,660</b>

**Net book value as of 30 June represented by:**

Gross book value	149,207	147,207
Accumulated depreciation and impairment	(138,598)	(133,547)
<b>Net book value 30 June</b>	<b>10,609</b>	<b>15,660</b>

**Note 7 Current Liabilities**

**Note 7A: Trade payables**

Trade creditors and accruals	30,157	6,840
Operating lease rentals	1,369	-
<b>Subtotal trade creditors</b>	<b>31,526</b>	<b>6,840</b>

**Payables to other reporting unit[s]\***

Australian Nursing Federation	538	-
Tasmania No.1 Branch	46,598	18,136
Tasmania No.2 Branch	-	668
Victoria No 2 Branch	84	(872)
Western Australia Branch	3,352	724

<b>Subtotal payables to other reporting unit[s]</b>	<b>50,572</b>	<b>18,656</b>
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<b>Total trade payables</b>	<b>82,098</b>	<b>25,496</b>
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Settlement is usually made within 30 days.

	2013	2012
	\$	\$
<b>Note 7B: Other payables</b>		
Wages and salaries	-	-
Superannuation	1,802	3,333
Consideration to employers for payroll deductions*	-	-
Legal costs*	19,261	25,166
Prepayments received / unearned revenue	-	68,076
GST and PAYGW payable	9,244	52,541
Other	-	5,421
<b>Total other payables</b>	<b>30,307</b>	<b>154,537</b>

Total other payables are expected to be settled in:

No more than 12 months	30,307	154,537
More than 12 months	-	-
<b>Total other payables</b>	<b>30,307</b>	<b>154,537</b>

#### Note 8 Provisions

##### Note 8A: Employee Provisions\*

###### Office Holders:

Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-

###### **Subtotal employee provisions—office holders**

###### Employees other than office holders:

Annual leave	24,866	11,296
Long service leave	29,117	-
Separation and redundancies	-	-
Other	-	-

###### **Subtotal employee provisions—employees other than office holders**

###### **Total employee provisions**

Current	53,983	11,296
<b>Total employee provisions</b>	<b>53,983</b>	<b>11,296</b>

<b>2013</b>	2012
\$	\$

**Note 9: Cash Flow**

**Note 9A: Cash Flow Reconciliation**

**Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:**

**Cash and cash equivalents as per:**

Cash flow statement	<b>435,757</b>	541,429
Balance sheet	<b>435,757</b>	541,429
<b>Difference</b>	<b>-</b>	<b>-</b>

**Reconciliation of profit / (loss) to net cash from operating activities:**

Profit / (loss) for the year	<b>(85,540)</b>	(84,195)
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**Adjustments for non-cash items**

Depreciation / amortisation	<b>7,406</b>	11,048
Doubtful debts expense / (write back)	<b>(2,832)</b>	(318,024)

**Changes in assets/liabilities**

(Increase) / decrease in receivables	<b>(67,840)</b>	480,593
Increase / (decrease) in supplier payables	<b>448</b>	(27,515)
Increase / (decrease) in employee provisions	<b>42,686</b>	(74,498)
Increase / (decrease) in other provisions	<b>-</b>	-
<b>Net cash from / (used in) operating activities</b>	<b>(105,672)</b>	<b>(12,591)</b>

<b>2013</b>	2012
\$	\$

**Note 9B: Cash flow information\***

**Cash inflows**

HSU East	<b>72,917</b>	904,493
New South Wales Branch	<b>343,821</b>	-
South Australia Branch	<b>8,356</b>	13,307
Tasmania No.1 Branch	<b>101,956</b>	74,828
Tasmania No.2 Branch	<b>424</b>	335
Victoria No.1 Branch	<b>126,427</b>	-
Victoria No.2 Branch	<b>83,067</b>	134,752
Victoria No.3 Branch	<b>35,478</b>	-
Victoria No.4 Branch	<b>32,923</b>	51,081
Western Australia Branch	<b>69,364</b>	53,482
<b>Total cash inflows</b>	<b>874,733</b>	<b>1,232,278</b>

**Cash outflows**

Australian Nursing Federation	<b>2,138</b>	-
HSU East	-	22,692
New South Wales Branch	-	-
South Australia Branch	<b>3,624</b>	-
Tasmania No.1 Branch	<b>134,264</b>	30,598
Tasmania No.2 Branch	<b>3,199</b>	3,387
Victoria No.1 Branch	-	-
Victoria No.2 Branch	<b>12,462</b>	12,154
Victoria No.3 Branch	-	-
Victoria No.4 Branch	<b>1,187</b>	5,681
Western Australia Branch	<b>49,821</b>	17,553
<b>Total cash outflows</b>	<b>206,695</b>	<b>92,065</b>

**Note 10 Contingent Liabilities, Assets and Commitments**

**Note 10A: Commitments and Contingencies**

**Operating lease commitments—as lessee**

Future minimum rentals payable under non-cancellable operating leases as at 30 June are as follows:

Within one year	5,770	20,712
After one year but not more than five years	-	5,770
More than five years	-	-
	<b>5,770</b>	<b>26,482</b>

In 2013 the Reporting unit has one (1) motor vehicle lease. The motor vehicle lease is paid monthly in advance and expires in December 2013.



<b>2013</b>	<b>2012</b>
<b>\$</b>	<b>\$</b>

**Other contingent assets or liabilities**

In the opinion of the National Executive, there have been no transactions or events that have occurred which would give rise to any contingent liability or asset.

**Note 11 Related Party Disclosures**

**Note 11A: Related Party Transactions for the Reporting Period**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

**Expenses paid to United Edge Pty Ltd includes the following:**

Computer services and supplies	<b>926</b>	<b>10,146</b>
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**Terms and conditions of transactions with related parties**

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2013, the Health Services Union National Office has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2012: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Note 11B: Key Management Personnel Remuneration for the Reporting Period**

**Short-term Employee benefits**

Salary / Wages, Superannuation and Annual Leave and Long Service Leave Payout.

	-	275,374
<b>Total short-term employee benefits</b>	-	275,374
<b>Total</b>	-	275,374

**Note 12 Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services 2007, 2008, 2009	-	1,716
Financial statement audit services 2010	-	10,724
Financial statement audit services 2011	-	11,340
Financial statement audit services 2012	<b>9,950</b>	-
Financial statement audit services 2013	<b>10,000</b>	-
Investigation & Internal control review	-	15,277
<b>Total remuneration of auditors</b>	<b>19,950</b>	<b>39,057</b>

In 2012 the auditors were engaged to perform a review of the entity's internal controls.

<b>2013</b>	<b>2012</b>
\$	\$

**Note 13 Financial Instruments**

**Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to financial loss to the organisation.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and 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 by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

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

The Health Services Union National Office has no significant concentrations of credit risk with any single counterparty or group of counterparties.

**Liquidity Risk**

Liquidity risk arises from the possibility that the Health Service Union National Office might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The organisation manages this risk through the following mechanisms:

- Only investing surplus cash with major financial institutions
- Proactively monitoring the recovery of accounts receivable.

**Note 13 Financial Instruments**

**Interest Rate Risk**

The financial instruments that expose the association to interest rate risk is limited to cash on hand and the credit card facility.

The organisation manages interest rate risk by ensuring that whenever possible, the credit card facility is paid within the interest free period.

**Other Price Risk**

Other price risk relates to the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices.

The organisation does not have any material exposure to other price risk.

**Note 13A: Categories of Financial Instruments**

**Financial Assets**

Cash and cash equivalents	435,757	541,428
Trade and other receivables	17,517	14,920
<b>Total</b>	453,274	556,348
<b>Carrying amount of financial assets</b>	453,274	556,348

	2013	2012
	\$	\$
<b>Financial Liabilities</b>		
Other financial liabilities:		
Trade and other payables	112,405	180,033
<b>Total</b>	<b>112,405</b>	<b>180,033</b>
<b>Carrying amount of financial liabilities</b>	<b>112,405</b>	<b>180,033</b>

**Note 13B: Fair Value of Financial Instruments**

	Carrying amount 2013 \$	Fair value 2013 \$	Carrying Amount 2012 \$	Fair value 2012 \$
<b>Financial Assets</b>				
Cash and cash equivalents	435,757	435,757	541,428	541,428
Loans and receivables	17,517	17,517	14,920	14,920
<b>Total</b>	<b>453,274</b>	<b>453,274</b>	<b>556,348</b>	<b>556,348</b>
<b>Financial Liabilities</b>				
Other financial liabilities	112,405	112,405	180,033	180,033
<b>Total</b>	<b>112,405</b>	<b>112,405</b>	<b>180,033</b>	<b>180,033</b>

**Note 13C: Credit Risk**

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The reporting units 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.

**The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.**

<b>Financial assets</b>			
Loans and receivables		17,517	14,920
<b>Total</b>		<b>17,517</b>	<b>14,920</b>
<b>Financial liabilities</b>			
Other financial liabilities		112,405	180,033
<b>Total</b>		<b>112,405</b>	<b>180,033</b>

Currently the Health Services Union National Office does not hold any collateral as security nor credit enhancements relating to any of its financial assets.

**Credit quality of financial instruments not past due or individually determined as impaired**

	Not Past Due Nor Impaired 2013 \$	Past due or impaired 2013 \$	Not Past Due Nor Impaired 2012 \$	Past due or impaired 2012 \$
Loans and receivables	17,517	-	-	2,832
<b>Total</b>	<b>17,517</b>	<b>-</b>	<b>-</b>	<b>2,832</b>

**Ageing of financial assets that were past due but not impaired for 2013**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

There were no receivables that were past due but not impaired.

**Ageing of financial assets that were past due but not impaired for 2012**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	-	-	-	-	-
<b>Total</b>	-	-	-	-	-

There were no receivables that were past due but not impaired.

**Note 13D: Liquidity Risk**

Liquidity risk arises when the Health Services Union National Office is unable to meet its financial obligations as they fall due. The Health Services Union National Office operates under a policy of settling 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 cash and cash equivalents. The reporting unit' 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.

**Contractual maturities for financial liabilities 2013**

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	-	112,405	-	-	-	112,676
<b>Total</b>	-	112,405	-	-	-	112,676

**Contractual maturities for financial liabilities 2012**

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade payables	-	111,957	-	-	-	111,957
<b>Total</b>	-	111,957	-	-	-	111,957

**Note 13E: Market Risk**

The Health Service Union National Office does not have any material exposure to market risk.

**Note 14 Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or the General Manager of Fair Work Australia:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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).

**\* Specific disclosure requirements of the RO Act and or RO regulations even if amount is \$Nil, zero or N/A.**



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

**Scope**

***General purpose financial report***

The general purpose financial report comprises the income statement, balance sheet, statement of changes in equity, cash flow statement, notes to the financial statements and the National Executive's certificate of the Health Services Union National Office for the year ended 30 June 2013.

***National Executive's responsibility***

The National Executive of the reporting unit is responsible for the preparation and presentation of the financial report in accordance with the Fair Work (Registered Organisations) Act 2009. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect frauds and errors and for the accounting policies and accounting estimates inherent in the financial report.

***Audit approach***

We conducted an independent audit in order to express an opinion to the members of reporting unit. Our audit was conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatements. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, and the inherent limitation of internal controls and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with Australian Accounting Standards and other mandatory financial reporting requirements in Australia and the Fair Work (Registered Organisations) Act 2009, a view which is consistent with our understanding of reporting unit's financial position and of its performance as represented by the results of its operation and cash flows.

We formed our audit opinion on the basis of these procedures which include, examining on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report and assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the National Executive.

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

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance of the internal controls.

***Independence***

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

***Opinion***

In our opinion the financial report presents fairly, in all material respects, the financial position of the HSU National Office as at 30 June 2013 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements of the Fair Work (Registered Organisations) Act 2009.

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

In our opinion management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

*Hayes Knight Audit*

**HAYES KNIGHT AUDIT PTY LTD  
Chartered Accountants  
Melbourne  
Dated: 9<sup>th</sup> day of May 2014**

*A. Wehrens*

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