



24 March 2015

Mr Chris Brown
Acting National Secretary
Health Services Union, National
Suite 1, Level 3, 377 Sussex Street
SYDNEY NSW 2000

via e-mail: chrisb@hsu.net.au

Dear Mr Brown

**Health Services Union National Financial Report for the year ended 30 June 2014 -
[FR2014/247]**

I acknowledge receipt of the financial report of the Health Services Union National (the Branch). The documents were lodged with the Fair Work Commission (FWC) on 15 December 2014. I also acknowledge the amended financial report which was provided on the 24 March 2015. This amended financial report addressed the issues raised in the letter dated 6 January 2015 from Mr Ken Morgan at the FWC.

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

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8661 7886 or via email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

Designated Officer Certificate - s.268 Fair Work (Registered Organisations) Act 2009

Health Services Union

for the financial year ending 30 June 2014.

I, Chris Brown, being the Senior National Assistant Secretary and Acting National Secretary of the Health Services Union, certify:

- that the documents lodged herewith are copies of the full report for the Health Services Union for the period ended 30 June 2014 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that these documents were presented to and accepted by the National Executive meeting of the reporting unit on the 10 November 2014; and
- that the full report was provided to members on 14 November 2014 by way of posting on the Union's website (www.hsu.net.au); and
- that the full report was presented to a meeting of the Health Services Union's National Executive on 11 December 2014 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.



Chris Brown

Acting National Secretary

Senior National Assistant Secretary

Dated: 15 December 2014

uite 1, Level 3, 377 Sussex Street, Sydney NSW 2000
PO Box 20349, World Square NSW 2000
t. (02) 8203 6066 | hsu@hsu.net.au | www.hsu.net.au
ABN 68 243 768 561



15 December 2014

General Manager

Fair Work Commission
GPO Box 1994
Melbourne VIC 3001

Dear General Manager,

Please find attached a copy of:

1. The full financial report for the Health Services Union
2. The Designated Officer Certificate

If you or your Officers have any questions relating to the above, please contact Mark McLeay in our Sydney Office on 02 8203 6066 or at markm@hsu.net.au.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Chris Brown', is written on a light blue background.

Chris Brown
Acting National Secretary



Financial Statements

Health Services Union

2013–14

FINANCIAL STATEMENTS 2013–14

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

Report to the Members of Health Services Union National Office

We have audited the accompanying financial report of Health Services Union National which comprises the statement of financial position as at 30 June 2014, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, the recovery of wages activity statement, notes comprising a summary of significant accounting policies and other explanatory notes and the committee of management statement.

Responsibility of the Committee of Management for the financial report

The committee of management are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Regulations 2009 and all requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the company's preparation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies, the Fair Work (Registered Organisations) Act 2009.

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

Auditor's Opinion

As part of the audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.

In our opinion the financial report of the Health Services Union National Office is in accordance with the Fair Work (Registered Organisations) Regulations 2009, including:

- (i) giving a true and fair view of the entity's financial position as at 30 June 2014 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) the Fair Work (Registered Organisations) Regulations 2009 and all requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

In accordance with the Reporting Guidelines for the purposes of section 253, the following declarations are made in reference to the auditor, Mr Graham Webb:

- is a Registered Company Auditor (approved auditor) and a Partner of Hall Chadwick Chartered Accountants.
- is a member of The Institute of Chartered Accountants in Australia and holds a current Public Practice Certificate.

Hall Chadwick

Hall Chadwick
Level 40, 2 Park Street
Sydney, NSW

Graham Webb

Graham Webb (CA)
Partner

12 March 2015

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OPERATING REPORT

for the period ended 30 June 2014

The committee presents its report on the reporting unit for the financial year ended 30 June 2014.

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

The principle 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.

Significant Change	Nature of Change
Revenue from Capitation fees from branches increased 50%	Capitation fees charge per member have increased during the year.
Employee Expenses increased 103%	The number of employees of the National Office increased to 5 during the year
Legal costs increased 38%	Legal costs increased during the year due to a combination of litigation to recover union funds from individuals, defending claims against the union and legal costs associated with a review of the rules of the Union.
Doubtful debts	There were no doubtful debts for the year.
Cash and cash equivalents increased 177%	Cash and cash equivalents increased due to an increase in cash inflows from branches.
Employee Provisions increased 89%	The increase in employee provisions (current and non-current) is a result of increased staffing in the National Office and a transfer of long service leave credits from the Tasmania Branch to the National Office on the employment of Chris Brown as the Senior national Assistant Secretary.
Total liabilities increased 487%	This significant increase in liabilities is in relation to the \$731,000 payable to ATO that the national office received from the Victoria No.1 Branch being the GST portion of the amount of the sale of their building.

Right of members to resign

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

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

Officer/Member	Trustee Company	Entity/Scheme	Position	Period from / to
Lloyd Williams	H.E.S.T. Australia Limited	HESTA Superfund	Director	1/7/2013 to 30/6/2014

OPERATING REPORT (cont'd)

for the period ended 30 June 2014

Right of members to resign (cont'd)

Rosemary Kelly	First State Superannuation Trustee Corporation	FSS Super	Director	1/7/2013 to 30/6/2014
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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 was 70,413 (2013: 68,849)

New South Wales Branch	31,335
South Australia Branch	749
Tasmania Branch	7,953
Victoria No. 1 Branch	11,047
Victoria No. 2 Branch	7,282
Victoria No. 3 Branch	3,479
Victoria No. 4 Branch	2,746
Western Australia Branch	5,769
Queensland Branch	53

Number of employees

The number of persons who were at the end of the financial year employees of the organisation including both full time and part-time employees measure on a full time equivalent basis was 5.00 (2013: 3.00)

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

Chris Brown	National President	01 Jul 2013 to 22 Nov 2013
	Senior National Assistant Secretary	22 Nov 2013 to 30 Jun 2014
Rosemary Kelly	National Vice President	01 Jul 2013 to 30 Jun 2014
Kathy Jackson	National Secretary	01 Jul 2013 to 30 Jun 2014
Lloyd Williams	Senior National Assistant Secretary	01 Jul 2013 to 14 Nov 2014
	National President	22 Nov 2014 to 30 Jun 2014
Gerard Hayes	National Assistant Secretary	1 Jul 2013 to 30 Jun 2014
Dan Hill	National Trustee	1 Jul 2013 to 30 Jun 2014
Iris Knight	National Trustee	1 Jul 2013 to 30 Jun 2014

Health Services Union National Office

OPERATING REPORT (cont'd)

for the period ended 30 June 2014

Number of employees (cont'd)

Chris Panizza	National Executive Member	1 Jul 2013 to 30 Jun 2014
Tim Jacobson	National Executive Member	1 Jul 2013 to 30 Jun 2014
Jorge Navas	National Executive Member	1 Jul 2013 to 30 Jun 2014
Zita Mitchell	National Executive Member	1 Jul 2013 to 05 Jun 2014
Paul Healey	National Executive Member	1 Jul 2013 to 30 Jun 2014
Paul Elliott	National Executive Member	1 Jul 2013 to 30 Jun 2014
Diana Asmar	National Executive Member	1 Jul 2013 to 30 Jun 2014
Craig McGregor	National Executive Member	1 Jul 2013 to 30 Jun 2014
Andrew Lillicrap	National Executive Member	1 Jul 2013 to 30 Jun 2014

Signature of designated officer:



Name and title of designated officer:

Chris Brown
Senior National Assistant Secretary
Acting National Secretary

Dated:

12 March 2015

Health Services Union National Office

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2014


On the 10 November 2014 the National Executive of the Health Services Union passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2014:

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 GPRF 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) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer:



Name and title of designated officer:

Chris Brown
Senior National Assistant Secretary
Acting National Secretary

Dated:

12 March 2015

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME*for the period ended 30 June 2014*

	Notes	2014 \$	2013 \$
Revenue			
Membership subscription*		-	-
Capitation fees	3A	1,439,896	960,325
Levies	3B	-	-
Interest	3C	10,253	496
Other revenue		68,774	66,833
Total revenue		1,518,923	1,027,654
Other Income			
Grants and/or donations	3D	-	-
Total other income		-	-
Total income		1,518,923	1,027,654
Expenses			
Employee expenses	4A	(554,824)	(273,286)
Capitation fees	4B	-	-
Affiliation fees	4C	(600)	(600)
Administration expenses	4D	(187,536)	(207,973)
Grants or donations	4E	-	-
Depreciation	4F	(8,787)	(7,406)
Finance costs	4G	(1,798)	-
Legal costs	4H	(378,390)	(289,897)
Audit fees	13	(37,364)	(19,950)
Other expenses	4I	(354,339)	(316,914)
Doubtful Debts		-	2,832
Total expenses		1,523,638	1,113,194
(Loss) for the year		(4,715)	(85,540)
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		(4,715)	(85,540)

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

STATEMENT OF FINANCIAL POSITION

as at 30 June 2014

	Notes	2014 \$	2013 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,206,868	435,757
Trade and other receivables	5B	1,148	17,517
Total current assets		1,208,016	453,274
Non-Current Assets			
Leasehold Improvements	6A	36,428	4,711
Plant and equipment	6B	31,031	10,609
Total non-financial assets		67,459	15,320
Total assets		1,275,475	498,594
LIABILITIES			
Current Liabilities			
Trade payables	7A	121,457	82,098
Other payables	7B	741,895	30,307
Employee provisions	8A	52,554	24,866
Total current liabilities		915,906	137,272
Non-Current Liabilities			
Employee provisions	8A	62,078	29,117
Total non-current liabilities		62,078	29,117
Total liabilities		977,984	166,389
Net assets		297,491	302,206
EQUITY			
Retained earnings		297,491	302,206
Total equity		297,491	302,206

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

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2014

Consolidated	Notes	Retained earnings	Total equity
		\$	\$
Balance as at 1 July 2012		387,746	387,746
Loss for the year		(85,540)	(85,540)
Closing balance as at 30 June 2013		302,206	302,206
Loss for the year		(4,715)	(4,715)
Closing balance as at 30 June 2014		297,491	297,491

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

CASH FLOW STATEMENT

for the period ended 30 June 2014

		Consolidated	
		2014	2013
		\$	\$
	Notes		
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	9B	1,526,103	874,733
Interest		9,189	496
Other		-	81,752
Cash used			
Payments to suppliers and employees		(572,326)	(855,958)
Payment to other reporting units/controlled entity(s)	9B	(129,131)	(206,695)
Interest		(1,798)	
Net cash from (used by) operating activities	9A	832,037	(105,672)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		(60,926)	-
Net cash from (used by) investing activities		(60,926)	-
Net increase (decrease) in cash held		771,111	(105,672)
Cash & cash equivalents at the beginning of the reporting period		435,757	541,429
Cash & cash equivalents at the end of the reporting period	5A	1,206,868	435,757

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

Health Services Union National Office
RECOVERY OF WAGES ACTIVITY*
for the period ended 30 June 2014

	2014	2013
	\$	\$
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	-	-

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Notes to Financial Statements for the year ended 30 June 2014

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 Services Union is a not-for-profit entity.

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

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 that have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.4 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 include:

– AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 2017).

This Standard will be applicable retrospectively (subject to the provisions on hedge accounting) and includes revised requirements for the classification and measurement of financial instruments, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

1.5 Revenue

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

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

Notes to Financial Statements for the year ended 30 June 2014

Note 1 Summary of significant accounting policies

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.

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 recorded 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 which are expected to be settled 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 which are expected to be settled beyond twelve months 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 as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

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

Notes to Financial Statements for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (cont'd)

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 a *[reporting unit]* entity 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.

Notes to Financial Statements for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (cont'd)

1.13 Financial assets (cont'd)

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

Notes to Financial Statements for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (cont'd)

1.13 Financial assets (cont'd)

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.

Impairment of financial assets (cont'd)

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.

Notes to Financial Statements for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (cont'd)

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.

Notes to Financial Statements for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (cont'd)

1.16 Land, buildings, plant and equipment

Asset recognition threshold

Purchases of land, buildings, 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:

	2014	2013
Leasehold Improvements	3 years	3 years
Plant and equipment	2.5 to 7.5 years	2.5 to 7.5 years

Derecognition

An item of land, buildings, 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 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 of disposal 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 Health Services Union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.18 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 of disposal.

Notes to Financial Statements for the year ended 30 June 2014

Note 1 Summary of significant accounting policies (cont'd)

1.19 Taxation

Health Services Union is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however it still has obligations 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.

1.20 Going Concern

Health Services Union is not reliant on financial support from another reporting unit in order to continue on a going concern basis.

Health Services Union does not provide financial support to any reporting unit.

Note 2 Events after the reporting period

On 3 of July 2014 the amount of \$165,474.34 was transferred into the HSU National Account No 10007372 on the closure of the Tasmania No.2 Branch bank accounts, which ceased to operate as a reporting unit as a result of certification of the Registered Rules of the Union (R2014/58).

Note 3A: Capitation fees^{*}

	2014	2013
	\$	\$
Total capitation fees		
HSU East	-	120,776
New South Wales Branch	649,992	344,700
South Australia Branch	15,729	9,136
Tasmania No. 1 Branch	163,380	108,771
Tasmania No. 2 Branch	450	455
Victoria No. 1 Branch	226,234	135,979
Victoria No. 2 Branch	142,107	91,770
Victoria No. 3 Branch	67,200	39,263
Victoria No. 4 Branch	58,275	35,162
Western Australia	116,529	74,313
Total Capitation Fees	1,439,896	960,325

Notes to Financial Statements for the year ended 30 June 2014

Note 3B: Levies*

	2014	2013
	\$	\$
Levies	-	-
Total levies	<u>-</u>	<u>-</u>

Note 3C: Interest

Deposits	10,253	496
Total interest	<u>10,253</u>	<u>496</u>

Notes to Financial Statement for the year ended 30 June 2014

Note 3D: Grants or donations*

Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>

Note 3E: Financial Support

HSU National office was not in receipt of any other financial support from another reporting unit of the organisation.

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:

Wages and salaries	68,997	-
Superannuation	6,350	-
Leave and other entitlements	11,752	-
Separation and redundancies	-	-
Other Employee Expenses	-	-
Subtotal employee expenses holders of office	<u>87,099</u>	<u>-</u>

Employees other than office holders:

Wages and salaries	383,575	213,423
Superannuation	34,446	16,962
Leave and other entitlements	48,899	42,686
Separation and redundancies	-	-
Other employee expenses	805	215
Subtotal employee expenses employees other than office holders	<u>467,725</u>	<u>273,286</u>
Total employee expenses	<u>554,824</u>	<u>273,286</u>

Notes to Financial Statements for the year ended 30 June 2014

Note 4B: Capitation fees*

	2014	2013
	\$	\$
Capitation fees	-	-
Total capitation fees	-	-

Notes to Financial Statement for the year ended 30 June 2014

Note 4C: Affiliation fees*

ACTU Affiliation Fees	-	-
Union Aid Abroad Affiliation Fees	600	600
Total affiliation fees/subscriptions	600	600

Note 4D: Administration expenses

Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	14,437	73,433
Staff & Visitor Amenities	648	-
Membership Fees	50	-
Computer Expenses	5,777	-
Sponsorship	12,045	-
Electricity	2,979	-
Office Relocation	5,113	-
Promotional	2,196	-
Sundry Expenses	12,270	-
Staff Training	2,449	-
National Industrial Expenses	5,213	-
National Office Other	522	-
Contractors/consultants	23,528	39,375
Office expenses	31,893	24,470
Information communications technology	15,059	21,647
Other	-	12,324
Subtotal administration expense	134,179	171,249
Operating lease rentals:		
Minimum lease payments	53,657	36,724
Total administration expenses	187,836	207,973

Notes to Financial Statements for the year ended 30 June 2014

Note 4E: Grants or donations*

	2014	2013
	\$	\$
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Note 4F: Depreciation

Depreciation		
Land & buildings Leasehold improvements	3,892	2,355
Property, plant and equipment	4,895	5,051
Total depreciation	8,787	7,406

Note 4H: Legal costs*

Litigation	190,958	144,357
Industrial Legal	13,125	11,474
Other legal matters	174,307	134,066
Total legal costs	378,390	289,897

Note 4I: Other expenses

Penalties - via RO Act or RO Regulations*	20,454	-
Advertising	7,020	1,636
Bad Debts	-	3,745
Fringe benefits tax	6,755	1,164
Insurance and Workcover	1,100	6,193
Management expense	72,760	94,091
Motor Vehicle expense	8,703	32,324
Payroll Tax	132	10,364
Travel and accommodation	237,415	167,397
Total other expenses	354,339	316,914

Notes to Financial Statements for the year ended 30 June 2014

Note 5 Current assets

Note 5A: Cash and cash equivalents

	2014	2013
	\$	\$
Cash at bank	1,146,868	435,757
Term deposits	60,000	-
Total cash and cash equivalents	1,206,868	435,757

Note 5B: Trade and other receivables

Receivables from other reporting unit[s]*

New South Wales Branch	-	879
South Australia Branch	84	143
Victoria No. 1 Branch	-	9,552
Victoria No. 2 Branch	-	3,014
Victoria No. 3 Branch	-	3,785
Victoria No. 4 Branch	-	-
Western Australia	-	143
Total receivables from other reporting unit[s]	84	17,517

Less provision for doubtful debts*	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit[s] (net)	84	17,517

Other receivables:

Other trade receivables	1,064	-
Total other receivables	1,064	-
Total trade and other receivables (net)	1,148	17,517

Notes to Financial Statements for the year ended 30 June 2014

Note 6 Non-current assets

Note 6A: Leasehold Improvements

	2014	2013
	\$	\$
Leasehold improvements:		
At cost	61,109	25,500
accumulated depreciation	(24,681)	(20,789)
Total leasehold Improvements	36,428	4,711

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	(20,789)	(18,434)
Net book value 1 July	4,711	7,066
Additions:		
By purchase	35,609	-
Depreciation expense	(3,892)	(2,355)
Net book value 30 June	36,428	4,711
Net book value as of 30 June represented by:		
Gross book value	61,109	25,500
Accumulated depreciation and impairment	(24,681)	(20,789)
Net book value 30 June	36,428	4,711

Note 6B: Plant and equipment

Plant and equipment:		
at cost	174,524	149,807
accumulated depreciation	(143,493)	(138,598)
Total plant and equipment	31,031	10,609

Reconciliation of the opening and closing balances of plant and equipment

As at 1 July		
Gross book value	149,207	149,207
Accumulated depreciation and impairment	(138,598)	(133,547)
Net book value 1 July	10,609	15,660
Additions:		
By purchase	25,317	-
Depreciation expense	(4,895)	(5,051)
Net book value 30 June	31,031	10,609
Net book value as of 30 June represented by:		
Gross book value	174,524	149,207
Accumulated depreciation and impairment	(143,493)	(138,598)
Net book value 30 June	31,031	10,609

Notes to Financial Statements for the year ended 30 June 2014

Note 7 Current liabilities

Note 7A: Trade payables

	2014	2013
	\$	\$
Trade creditors and accruals	118,891	30,157
Operating lease rentals	-	1,369
Subtotal trade creditors	118,891	31,526
Payables to other reporting unit[s]*		
Australian Nursing Federation	768	538
Tasmania No.1 Branch	1,133	46,598
South Australia Branch	665	-
Victoria No. 2 Branch	-	84
Western Australia Branch	-	3,352
Subtotal payables to other reporting unit[s]	2,566	50,572
Total trade payables	121,457	82,098
Settlement is usually made within 30 days.		
Note 7B: Other payables		
Wages and salaries	11,268	-
Superannuation	-	1,802
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	19,261
GST payable	730,618	9,244
Other	10	-
Total other payables	741,896	30,307
Total other payables are expected to be settled in:		
No more than 12 months	741,896	30,307
Total other payables	741,896	30,307

Health Services Union National Office

Notes to Financial Statements for the year ended 30 June 2014

Note 8 Provisions

Note 8A: Employee provisions*

	2014	2013
	\$	\$
Office Holders:		
Annual leave	8,072	-
Long service leave	24,518	-
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	32,590	-
Employees other than office holders:		
Annual leave	44,482	24,866
Long service leave	37,560	29,117
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	82,042	53,983
Total employee provisions	114,632	53,983
Current	52,554	24,866
Non Current	62,078	29,117
Total employee provisions	114,632	53,983

Notes to Financial Statements for the year ended 30 June 2014

Note 9 Cash flow

Note 9A: Cash flow reconciliation

	2014	2013
	\$	\$
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	1,206,868	435,757
Balance sheet	1,206,868	435,757
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(deficit) to net cash from operating activities:		
(Loss) for the year	(4,715)	(85,540)
Adjustments for non-cash items		
Depreciation	8,787	7,406
Net write-down of non-financial assets	-	(2,832)
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	16,369	(67,840)
(Increase)/decrease in prepayments	-	488
Increase/(decrease) in trade and other payables	750,946	42,686
Increase/(decrease) in employee provisions	60,650	-
Net cash from (used by) operating activities	<u>832,037</u>	<u>(105,672)</u>

Notes to Financial Statements for the year ended 30 June 2014

Note 9B: Cash flow information*

Cash inflows

	2014	2013
	\$	\$
HSU East	-	72,917
New South Wales Branch	649,992	343,821
South Australia Branch	15,729	8,356
Tasmania No. 1 Branch	163,380	101,956
Tasmania No. 2 Branch	450	424
Victoria No. 1 Branch	226,234	126,427
Victoria No. 2 Branch	142,107	83,067
Victoria No. 3 Branch	67,200	35,478
Victoria No. 4 Branch	58,275	32,923
Western Australia Branch	116,529	69,364
Total cash inflows	1,439,896	874,733

Cash outflows

Australian Nursing Federation	4,557	2,138
New South Wales Branch	-	-
South Australia Branch	665	3,624
Tasmania No. 1 Branch	102,972	134,264
Tasmania No. 2 Branch	4,275	3,199
Victoria No. 1 Branch	-	-
Victoria No. 2 Branch	7,931	12,462
Victoria No. 3 Branch	2,334	-
Victoria No. 4 Branch	4,499	1,187
Western Australia Branch	1,898	49,821
Total cash outflows	129,131	206,695

Notes to Financial Statements for the year ended 30 June 2014

Note 10 Contingent liabilities, assets and commitments

Note 10A: Commitments and contingencies

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

	2014	2013
	\$	\$
Within one year	31,680	5,770
After one year but not more than five years		-
More than five years		-
Total minimum lease payments	31,680	5,770
Less amounts representing finance charges		-
Present value of minimum lease payments	31,680	5,770

In 2013 the Reporting Unit had one (1) motor vehicle lease. The motor vehicle lease expired in December 2013 and was not renewed.

On 1 January 2014, the Reporting Unit entered into a lease agreement to rent Suite 1, level 3, 377-383 Sussex Street Sydney NSW which terminates on 31 December 2014.

Other contingent assets or liabilities (i.e. legal claims)

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

Notes to Financial Statements for the year ended 30 June 2014

Note 11 Related party disclosures

Note 11A: Related party transactions for the reporting period

There were no related party transactions during the financial year

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

	2014	2013
	\$	\$
Expenses paid to United Edge Pty Ltd includes the following:		
Computer services and supplies	-	926
	<hr/>	<hr/>

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 yearend 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 2014, the Health Services Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2013: \$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 (including annual leave taken)	68,997	-
Annual leave accrued	-	-
Performance Bonus	-	-
Total short-term employment benefits	<hr/> 68,997	<hr/> -

Post-employment benefits:

Superannuation	6,350	-
Total Post-employment benefits	<hr/> 6,350	<hr/> -

Other long-term benefits:

Long-service leave	-	-
Total other long-term benefits	<hr/> -	<hr/> -

Termination benefits

Share based payments	-	-
Total employee provisions	<hr/> -	<hr/> -

Health Services Union National Office

Note 11C: Disclosures to members required by rules 85-88

Rule 86 Remuneration paid to the highest paid officers - financial year ending 30 June 2014

Branch	Name of Office	Name of Office Holder	Item	Payment or non-cash benefit	Amount	Payment by
National Union	Senior National Assistant Secretary	Chris Brown	Wages	Payment	\$68,997	Health Services Union
			Superannuation	Payment	\$6,350	Health Services Union
South Australia/ Northern Territory Branch	Branch Secretary Member National Executive National Councillor	Jorge Navas	Wages	Payment	\$86,633	SA/NT Branch
			Backpay/ underpayment of wages	Payment	\$10,404	SA/NT Branch
			Holiday pay	Payment	\$11,300	SA/NT Branch
			Leave loading	Payment	\$1,361	SA/NT Branch
			Superannuation	Payment	\$10,089	SA/NT Branch
			Private use of motor vehicle	Non cash payment	\$2,850 (estimate)	SA/NT Branch
Western Australia	Branch Secretary Member National Executive National Councillor	Dan Hill	Wages	Payment	\$138,147	Health Services Union of WA (Union of Workers)
			Superannuation	Payment	\$23,575	Health Services Union of WA (Union of Workers)
			Private use of motor vehicle	Non cash payment	\$15,149	Health Services Union of WA (Union of Workers)
Western Australia	Assistant Secretary Member National Executive National Councillor	Chris Panizza	Wages	Payment	\$110,078	Health Services Union of WA (Union of Workers)
			Superannuation	Payment	\$16,635	Health Services Union of WA (Union of Workers)
			Salary packaging superannuation	Payment	\$7,800	Health Services Union of WA (Union of Workers)
			Private use of motor vehicle	Non cash payment	\$12,151	Health Services Union of WA (Union of Workers)

Health Services Union National Office

Tasmania No1 Branch	Branch President National Councillor	Judy Richmond	Honorarium	Payment	\$2,545	Tasmania Branch
Tasmania No1 Branch	Branch Secretary (Until 31 Jan 2014) National President (Until 22 Nov 2013) Senior National Assistant Secretary (From 22 Nov 2013) Member National Executive National Councillor	Chris Brown	Wages (Includes leave entitlements paid out on termination)	Payment	\$143,535	Tasmania Branch
			Superannuation	Payment	\$19,758	Tasmania Branch
			Private use of motor vehicle	Non cash payment	\$4,793	Tasmania Branch
			Termination Payment	Payment	\$122,841	Tasmania Branch
Tasmania No.1 Branch	Branch Assistant Secretary (Until 1 Feb 2014) Branch Secretary (From 1 Feb 2014) Member National Executive National Councillor	Tim Jacobson	Wages	Payment	\$109,805	Tasmania Branch
			Superannuation	Payment	\$24,921	Tasmania Branch
			Private use of motor vehicle	Non cash payment	\$8,216	Tasmania Branch

Victoria No.1 Branch	Branch President Delegate to National Council	David Eden	Wages	Payment	\$97,405	Victoria No.1 Branch
			Superannuation	Payment	\$9,257	Victoria No.1 Branch
			Private use of motor vehicle	Non cash payment	\$4,500	Victoria No.1 Branch
Victoria No.1 Branch	Junior Vice President	Rhonda Barclay	Wages	Payment	\$22,644	Victoria No.1 Branch
			Superannuation	Payment	\$2,149	Victoria No.1 Branch
Victoria No.1 Branch	Branch Secretary	Diana Asmar	Wages	Payment	\$141,921	Victoria No.1 Branch
			Superannuation	Payment	\$13,482	Victoria No.1 Branch
			Private use of motor vehicle	Non cash payment	\$4,500	Victoria No.1 Branch
Victoria No.1 Branch	Branch Assistant Secretary/Treasurer	Leonie Flynn	Wages	Payment	\$129,807	Victoria No.1 Branch
			Superannuation	Payment	\$12,331	Victoria No.1 Branch

Victoria No 2 Branch	Branch President National Councillor	Debbie Gunn	Honorarium	Payment	\$2,000	Victoria No.2 Branch
			Superannuation on Honorarium	Payment	\$185	Victoria No.2 Branch

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Victoria No 2 Branch	Branch Secretary Senior National Assistant Secretary (Until 22 Nov 2013) National President (From 22 Nov 2013) Member National Executive National Councillor	Lloyd Williams	Mandatory Superannuation 9.25%. Paid to Officer in his capacity as a HSU nominated Director.	Payment	\$3 790	HESTA
			Wages	Payment	\$132 614.86	Victoria No.2 Branch
			Superannuation	Payment	\$19 455	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non Cash Payment	\$4,528	Victoria No.2 Branch
Victoria No 2 Branch	Branch Assistant Secretary Member National Executive National Councillor	Paul Healey	Wages	Payment	\$115,931	Victoria No.2 Branch
			Superannuation	Payment	\$16,198	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non Cash Payment	\$4,528	Victoria No.2 Branch
Victoria No 2 Branch	Delegate to National Council	Gina Moore	Wages	Payment	\$61,275	Victoria No.2 Branch
			Superannuation on wages	Payment	\$5,659	Victoria No.2 Branch

Victoria No 3 Branch	Branch Junior Vice President National Councillor	Rebecca Barden	Wages	Payment	\$3298	Victoria No.3 Branch
			Superannuation	Payment	\$273	Victoria No.3 Branch
Victoria No 3 Branch	Branch Secretary Member National Executive Branch Councillor	Craig McGregor	Wages	Payment	\$128,329	Victoria No.3 Branch
			superannuation	Payment	\$11,784	Victoria No. 3 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non cash payment	\$4,851	Victoria No.3 Branch
Victoria No 3 Branch	Branch Assistant Secretary National Councillor	Andrew Hewat	Wages	Payment	\$101,563	Victoria No.3 Branch
			Superannuation	Payment	\$9301	Victoria No.3 Branch
			Sitting fees	Payment	\$590	Australian Health Practitioners Regulatory Authority \$518.58 passed on to the Victoria No. 3 Branch.
			Superannuation	Payment	\$54	Australian Health Practitioners Regulatory Authority

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Victoria No4 Branch	Branch Secretary Member of National Executive National Councillor	Rosemary Kelly	Mandatory Superannuation 9.25%. Paid to Officer in her capacity as a HSU nominated Director.	Payment	\$7,228	First State Super Trustee Corporation
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Health Services Union National Office

Rule 87 Disclosure of material personal interests - financial year ending 30 June 2014

Branch	Name of Office	Name of Office Holder	Description of Material Personal Interest
Tasmania No 1 Branch	Branch Secretary (Until 31 Jan 2014) National President (Until 22 Nov 2013) Senior National Assistant Secretary (From 22 Nov 2013) Member National Executive National Councillor	Chris Brown	Until 31 January 2014, Director of 71 Elphin Road Pty Ltd which is a trustee company holding real estate property on behalf of the Tasmanian Branch.
Tasmania No 1 Branch	Branch Assistant Secretary (Until 1 Feb 2014) Branch Secretary (From 1 Feb 2014) Member National Executive National Councillor	Tim Jacobson	From 1 February 2014, Director of 71 Elphin Road Pty Ltd which is a trustee company holding real estate property on behalf of the Tasmanian Branch.
			Mr Jacobson's wife, Tammy Munro is an employee of the Tasmanian Branch and receives a wage and other employment benefits from the Branch.
Tasmania No 1 Branch	Branch Junior Vice President National Councillor	Christopher Webb	From 1 February 2014, Director of 71 Elphin Road Pty Ltd which is a trustee company holding real estate property on behalf of the Tasmanian Branch.
NSW Branch	Branch Assistant Secretary/Treasurer	Andrew Lillicrap	Mr Lillicrap's wife, Cherry (Chuan) Lillicrap is employed as a licensed conveyancer for Slater & Gordon lawyers in Sydney. The National Union and some Branches have engaged the legal services of Slater & Gordon.
South Australian Branch	Branch Secretary Member National Executive National Councillor	Jorge Navas	Mr Navas's daughter is employed on an occasional and casual basis providing clerical support services to the South Australian Branch and receives a wage from the Branch.

Notes to Financial Statements for the year ended 30 June 2014

Note 12 Remuneration of Auditors

	2014	2013
	\$	\$
Remuneration of the auditor		
- auditing the financial statements - 2014	10,750	10,000
- auditing the financial statements by previous auditors - 2013	-	9,950
- auditing the financial statements by previous auditors - 2012	-	10,000
- other accounting services – previous auditors	26,613	-
	<u>37,364</u>	<u>10,000</u>

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 approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability if 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 or recognised financial assets at the end of the reporting period equivalent to the carrying amount and classification of those financial assets (net 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 Services 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

Health Services Union National Office

Notes to Financial Statements for the year ended 30 June 2014

Note 13A: Categories of financial instruments

	2014	2013
	\$	\$
Financial assets		
Fair value through profit or loss:		
Cash and cash equivalents	1,206,868	435,757
Trade and other receivables	1,148	17,517
Total	1,208,016	453,274
Carrying amount of financial assets	1,208,016	453,274

Note 13A: Categories of financial instruments (cont'd)

Financial liabilities

	2014	2013
	\$	\$
Trade and other payables	863,353	112,405
Total	863,353	112,405
Carrying amount of financial liabilities	863,353	112,405

Note 13B: Net income and expense from financial assets

	Carrying amount 2014 \$	Fair Value 2014 \$	Carrying amount 2013 \$	Fair Value 2013 \$
Financial Assets				
Cash and cash equivalents	1,206,868	1,206,868	435,757	435,757
Receivables	1,148	1,148	17,517	17,517
Total	1,208,016	1,208,016	453,274	453,274
Financial Liabilities				
Other financial liabilities	863,353	863,353	112,405	112,405
Total	863,363	863,363	112,405	112,405

Notes to Financial Statements for the year ended 30 June 2014

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.

	2014	2013
	\$	\$
Financial assets		
Receivables	1,148	17,517
Total	1,148	17,517
Financial liabilities		
Other financial liabilities	863,353	112,405
Total	863,353	112,405

Currently the Health Services Union national Office does not hold any collateral as security not credit enhancements relating to any of its financial assets.

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

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2014	2014	2013	2013
	\$	\$	\$	\$
Receivables	1,148	-	17,517	-
Total	1,148	-	17,517	-

Ageing of financial assets that were past due but not impaired for 2014—Consolidated

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	-	-	-	-	-
Total	-	-	-	-	-

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

Health Services Union National Office

Notes to Financial Statements for the year ended 30 June 2014

Note 13D: Liquidity risk

Liquidity risk arises when the Health Services 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, makes payments within 30 days of the date of 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's 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 2014

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	863,353	-	-	-	863,353
Total	-	863,353	-	-	-	863,353

Maturities for financial liabilities 2013 - Consolidated

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

Note 13E: Market risk

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

Notes to Financial Statements for the year ended 30 June 2014

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 General Manager:

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