



17 December 2015

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

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

Dear Mr Brown

### **Health Services Union Financial Report for the year ended 30 June 2015 - [FR2015/220]**

I acknowledge receipt of the financial report of the Health Services Union. The documents were lodged with the Fair Work Commission (FWC) on 7 December 2015.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The FWC will confirm these concerns have been addressed prior to filing next year's report.

#### **Disclosure of employee provisions to office holders and other employees**

The employee provisions note to the financial statements has disclosed annual leave and long service leave separately for office holders and employees, but does not separately disclose separation and redundancies and other employee provisions provided for officers and employees.

The Reporting Guidelines require that all employee and office holder provisions be detailed separately (refer to items 20(c) and 20(d)).

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

#### **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) 8656 4681 or via email at [joanne.fenwick@fwc.gov.au](mailto:joanne.fenwick@fwc.gov.au).

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Joanne Fenwick', with a long horizontal stroke extending to the right.

Joanne Fenwick  
Financial Reporting Specialist  
Regulatory Compliance Branch

7 December 2015

General Manager  
Fair Work Australia  
GPO Box 1994  
**MELBOURNE VIC 3001**

Re: Designated Officers Certificate – s268 Fair Work (Registered Organisations) Act 2009  
Health Services Union Financial Statements for Year Ending 30 June 2015

Please find attached the Designated Officers Certificate and the Financial Statements for the Health Services Union for year ended 30 June 2015.

Yours Sincerely



Chris Brown  
**National Secretary**



## Health Services Union

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

### CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended [insert date] 2015

I Chris Brown being the 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 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 28 October 2015; and
- that the full report was presented to a meeting of the committee of management (National Executive) of the reporting unit on 26 November 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designate officer: Chris Brown

Title of prescribed designated officer: National Secretary

Dated: 7 December 2015



## FINANCIAL STATEMENTS 2014–15

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

**SYDNEY**

Level 40  
2 Park Street  
Sydney NSW 2000  
Australia

GPO Box 3555  
Sydney NSW 2001

Ph: (612) 9263 2600  
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***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 2015, the statement of profit or loss and other 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.

A member of AGN  
International Ltd, a  
worldwide association  
of separate and  
independent  
accounting  
and consulting firms

**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 2015 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 purpose 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

27 October 2015

## Health Services Union National Office

### OPERATING REPORT

for the period ended 30 June 2015

The committee presents its report on the reporting unit for the financial year ended 30 June 2015.

#### **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.*

<b>Significant Change</b>	<b>Nature of Change</b>
<i>Revenue from Capitation fees from branches increased by 3%</i>	<i>Capitation fees change per member have increased during the year.</i>
<i>Other Income increased by 449%</i>	<i>On the dissolution of the Tasmania No.2 Branch, \$150,431 was transferred to the National Union accounts. The National Union also received \$75,539 from Branches as a contribution to the Continuing Professional Development Project (CPD).</i>
<i>Employee Expenses decreased 33%</i>	<i>The number of employees of the National Office decreased to 4 during the year.</i>
<i>Legal costs increased by 91%</i>	<i>Legal costs increased during the year due to a combination of litigation to recover union funds from individuals, defending claims against the union.</i>
<i>Doubtful debts</i>	<i>There were no doubtful debts for the year.</i>
<i>Cash and cash equivalents decreased by 51%</i>	<i>Cash and cash flow equivalents decreased due to an increase in cash outflows mainly arising from legal expenses incurred.</i>
<i>Total liabilities decreased by 61%</i>	<i>There was a one-off GST liability in the prior year in relation of the sale of the VIC No.1 branch property.</i>

#### **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**

<b>Officer/Member</b>	<b>Trustee Company</b>	<b>Entity/Scheme</b>	<b>Period from / to</b>
Lloyd Williams	H.E.S.T Australia Limited	HESTA Superfund	1/7/2014 to 30/6/2015
Rosemary Kelly	First State Superannuation Trustee Corporation	FSS Super	1/7/2014 to 30/6/2015

**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 Organisation) Act 2009 and who were taken to be members of the registered organisation under Section 244 of the Fair Work (Registered Organisations) Act was 71,648 (2014: 70,413)*

<i>New South Wales Branch</i>	<i>31,796</i>
<i>South Australian Branch</i>	<i>974</i>
<i>Tasmania Branch</i>	<i>7,570</i>
<i>Victoria No. 1 Branch</i>	<i>11,997</i>
<i>Victoria No. 2 Branch</i>	<i>7,339</i>
<i>Victoria No. 3 Branch</i>	<i>3,675</i>
<i>Victoria No. 4 Branch</i>	<i>2,360</i>
<i>Western Australia Branch</i>	<i>5,849</i>
<i>Queensland Branch</i>	<i>88</i>

**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 on a full time equivalent was 4.00 (2014: 5.00)*

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

<i>Katherine Jackson</i>	<i>National Secretary</i>	<i>1 Jul 2014 to 12 Feb 2015</i>
<i>Lloyd Williams</i>	<i>National President</i>	<i>1 Jul 2014 to 30 Jun 2015</i>
<i>Dan Hill</i>	<i>National Trustee</i>	<i>1 Jul 2014 to 12 Feb 2015</i>
	<i>National Senior Vice President</i>	<i>12 Feb 2015 – 30 Jun 2015</i>
<i>Chris Brown</i>	<i>Senior National Assistant Secretary</i>	<i>1 Jul 2014 to 12 Feb 2015</i>
	<i>National Secretary</i>	<i>12 Feb 2015 to 30 Jun 2015</i>
<i>Gerard Hayes</i>	<i>National Assistant Secretary</i>	<i>1 Jul 2014 to 30 Jun 2015</i>

<i>Paul Elliott</i>	<i>National Executive Member</i>	<i>1 Jul 2014 to 12 Nov 2014</i>
	<i>National Vice President</i>	<i>12 Nov 2014 to 12 Feb 2015</i>
	<i>National Trustee</i>	<i>12 Feb 2015 to 30 Jun 2015</i>
<i>Tim Jacobson</i>	<i>National Executive Member</i>	<i>1 July 2014 to 12 Feb 2015</i>
	<i>National Junior Vice President</i>	<i>12 Feb 2015 to 30 Jun 2015</i>
<i>Craig McGregor</i>	<i>National Executive Member</i>	<i>1 July 2014 to 12 Feb 2015</i>
	<i>National Trustee</i>	<i>12 Feb 2015 to 30 Jun 2015</i>
<i>Rosemary Kelly</i>	<i>National Vice President</i>	<i>1 July 2014 to 8 Oct 2014</i>
	<i>National Executive Member</i>	<i>12 Feb 2015 to 30 Jun 2015</i>
<i>Iris Knight</i>	<i>National Trustee</i>	<i>1 Jul 2014 to 12 Feb 2015</i>
<i>Chris Panizza</i>	<i>National Executive Member</i>	<i>1 Jul 2014 to 30 Jun 2015</i>
<i>Jorge Navas</i>	<i>National Executive Member</i>	<i>1 Jul 2014 to 30 Jun 2015</i>
<i>Paul Healey</i>	<i>National Executive Member</i>	<i>1 Jul 2014 to 30 Jun 2015</i>
<i>Diana Asmar</i>	<i>National Executive Member</i>	<i>1 Jul 2014 to 30 Jun 2015</i>
<i>Andrew Lillicrap</i>	<i>National Executive Member</i>	<i>1 Jul 2014 to 30 Jun 2015</i>
<i>Andrew Hewat</i>	<i>National Executive Member</i>	<i>12 Feb 2015 to 30 Jun 2015</i>
<i>Jonathan Milman</i>	<i>National Executive Member</i>	<i>20 Aug 2014 to 30 Jun 2015</i>
<i>Robbie Moore</i>	<i>National Executive Member</i>	<i>12 Feb 2015 to 30 Jun 2015</i>

Signature of designated officer:  .....

Name and title of designated officer: Chris Brown  
National Secretary

Dated: 27 October 2015

## Health Services Union National Office

### COMMITTEE OF MANAGEMENT STATEMENT

*for the period ended 30 June 2015*

On the 27 October 2015 the National Executive of the Health Services union passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2015:

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) where the reporting unit has not derived revenue from undertaking recovery of wages activity, include the statement 'no revenue has been derived from undertaking recovery of wages activity during the reporting period' or
- (g) where the reporting unit has derived revenue from undertaking 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



**Health Services Union National Office**  
**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
*for the period ended 30 June 2015*

	Notes	2015 \$	2014 \$
<b>Revenue</b>			
Membership subscription		-	-
Capitation fees	3A	1,560,561	1,439,896
Levies	3B	-	-
Interest	3C	21,936	10,253
Other revenue	3D	309,472	68,774
<b>Total revenue</b>		<b>1,891,969</b>	<b>1,518,923</b>
<b>Other Income</b>			
Grants and/or donations	3E	-	-
<b>Total other income</b>		<b>-</b>	<b>-</b>
<b>Total income</b>		<b>1,891,969</b>	<b>1,518,923</b>
<b>Expenses</b>			
Employee expenses	4A	(654,107)	(554,824)
Capitation fees	4B	-	-
Affiliation fees	4C	(600)	(600)
Administration expenses	4D	(216,385)	(187,536)
Grants or donations	4E	-	-
Depreciation and amortisation	4F	(10,384)	(8,787)
Finance costs	4G	(610)	(1,798)
Legal costs	4H	(720,999)	(378,390)
Audit fees	12	(18,791)	(37,364)
Other expenses	4I	(423,131)	(354,339)
<b>Total expenses</b>		<b>(2,045,007)</b>	<b>1,523,638</b>
<b>(Loss) for the year</b>		<b>(153,038)</b>	<b>(4,715)</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>(153,038)</b>	<b>(4,715)</b>

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

**Health Services Union National Office**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 30 June 2015*

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	621,417	1,206,868
Trade and other receivables	5B	79,785	1,148
<b>Total current assets</b>		<b>701,202</b>	<b>1,208,016</b>
<b>Non-Current Assets</b>			
Leasehold Improvements	6A	31,820	36,428
Plant and equipment	6B	29,884	31,031
<b>Total non-current assets</b>		<b>61,704</b>	<b>67,459</b>
<b>Total assets</b>		<b>762,906</b>	<b>1,275,475</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	379,774	121,457
Other payables	7B	15,276	741,895
Borrowings	7C	100,000	-
Employee provisions	8A	95,719	52,554
<b>Total current liabilities</b>		<b>590,769</b>	<b>915,906</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	27,684	62,078
<b>Total non-current liabilities</b>		<b>27,684</b>	<b>62,078</b>
<b>Total liabilities</b>		<b>618,453</b>	<b>977,984</b>
<b>Net assets</b>		<b>144,453</b>	<b>297,491</b>
<b>EQUITY</b>			
Retained earnings		144,453	297,491
<b>Total equity</b>		<b>144,453</b>	<b>297,491</b>

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

**Health Services Union National Office**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 30 June 2015*

Notes	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2013</b>	302,206	302,206
Loss for the year	(4,715)	(4,715)
<b>Closing balance as at 30 June 2014</b>	<b>297,491</b>	<b>297,491</b>
Loss for the year	(153,038)	(153,038)
<b>Closing balance as at 30 June 2015</b>	<b>144,453</b>	<b>144,453</b>

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

**Health Services Union National Office**

**CASH FLOW STATEMENT**

for the period ended 30 June 2015

	Notes	2015 \$	2014 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	9B	<b>1,560,561</b>	1,439,896
Interest		<b>22,999</b>	9,189
Other Income		<b>229,772</b>	86,207
<b>Cash used</b>			
Payments to employees & suppliers		<b>(2,443,619)</b>	(572,326)
Payments to other reporting units/controlled entity(s)	9B	<b>(49,924)</b>	(129,131)
Interest		<b>(610)</b>	(1,798)
<b>Net cash (used by) from operating activities</b>	9A	<b>(680,821)</b>	832,037
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of plant and equipment		<b>(4,630)</b>	(60,926)
<b>Net cash from (used by) investing activities</b>		<b>(4,630)</b>	(60,926)
<b>Financing Activities</b>			
<b>Cash received</b>			
Proceeds from borrowings		<b>100,000</b>	-
<b>Net (decrease) increase in cash held</b>		<b>(585,451)</b>	771,111
Cash & cash equivalents at the beginning of the reporting period		<b>1,206,868</b>	435,757
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>621,417</b>	1,206,868

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 2015*

	2015	2014
	\$	\$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
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	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b> <i>[Insert fund or account name. If invested in assets include value of each asset]</i>	-	-

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## Notes of the Financial Statements for the years ended 30 June 2015

### 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 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 2018).

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, revise recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

## Notes of the Financial Statements for the years ended 30 June 2015

### Note 1 Summary of significant accounting policies

#### *Future Australian Accounting Standards Requirements (cont'd)*

- AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods commencing on or after 1 January 2017).

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principles-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

#### 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.

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 recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

## Notes of the Financial Statements for the years ended 30 June 2015

### Note 1 Summary of significant accounting policies

#### 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.

#### 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.

**Note 1 Summary of significant accounting policies**

**1.12 Financial instruments**

Financial assets and financial liabilities are recognised when a Health Services Union 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.

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.

## Notes of the Financial Statements for the years ended 30 June 2015

### Note 1 Summary of significant accounting policies

#### 1.13 Financial assets (cont'd)

##### *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.

**Note 1 Summary of significant accounting policies**

**1.13 Financial assets (cont'd)**

***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.



**Note 1 Summary of significant accounting policies**

**1.13 Financial assets (cont'd)**

***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.

## Notes of the Financial Statements for the years ended 30 June 2015

### Note 1 Summary of significant accounting policies

#### 1.14 Financial Liabilities (cont'd)

##### *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 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:

	<b>2015</b>	2014
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

**Note 1 Summary of significant accounting policies**

**1.16 Land, Buildings, Plant and Equipment (cont'd)**

***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 [*reporting unit*] 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.

**1.19 Taxation**

Health Services Union 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.

## **Notes of the Financial Statements for the years ended 30 June 2015**

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

#### **1.19 Taxation (cont'd)**

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.

#### **1.21 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.

## Notes of the Financial Statements for the years ended 30 June 2015

### Note 2 Events after the reporting period

There were no events that occurred after 30 June 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Health Services Union.

2015	2014
\$	\$

### Note 3 Income

#### Note 3A: Capitation fees

New South Wales	703,153	649,992
South Australia	20,308	15,729
Tasmania No. 1 Branch	175,279	163,380
Tasmania No. 2 Branch	-	450
Victoria No. 1 Branch	228,899	226,234
Victoria No. 2 Branch	164,864	142,107
Victoria No. 3 Branch	78,765	67,200
Victoria No. 4 Branch	58,683	58,275
Western Australia	130,610	116,529
<b>Total capitation fees</b>	<b>1,560,561</b>	<b>1,439,896</b>

#### Note 3B: Levies

Levies	-	-
<b>Total levies</b>	<b>-</b>	<b>-</b>

#### Note 3C: Interest

Deposits	21,936	10,253
<b>Total interest</b>	<b>21,936</b>	<b>10,253</b>

#### Note 3D: Other Revenue

Miscellaneous revenue from other branches	271,615	57,592
Other revenue	37,857	11,182
<b>Total Other Revenue</b>	<b>309,472</b>	<b>68,774</b>

#### Note 3E: Grants or donations

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

Notes of the Financial Statements for the years ended 30 June 2015

	2015	2014
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	166,834	68,997
Superannuation	17,197	6,350
Leave and other entitlements	8,861	11,752
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>192,892</b>	<b>87,099</b>
<b>Employees other than office holders:</b>		
Wages and salaries	341,350	383,575
Superannuation	39,558	34,446
Leave and other entitlements	70,975	48,899
Separation and redundancies	-	-
Other employee expenses	9,332	805
<b>Subtotal employee expenses employees other than office holders</b>	<b>461,215</b>	<b>467,725</b>
<b>Total employee expenses</b>	<b>654,107</b>	<b>554,824</b>
 <b>Note 4B: Capitation fees</b>		
	-	-
<b>Total capitation fees</b>	<b>-</b>	<b>-</b>
 <b>Note 4C: Affiliation fees</b>		
ACTU Affiliation Fees	-	-
Union Aid Abroad Affiliation Fees	600	600
<b>Total affiliation fees/subscriptions</b>	<b>600</b>	<b>600</b>

Notes of the Financial Statements for the years ended 30 June 2015

	2015	2014
	\$	\$
<b>Note 4 Expenses (cont'd)</b>		
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions	-	-
Compulsory levies		
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	8,431	14,437
Staff & Visitor Amenities	1,059	648
Membership Fee	-	50
Computer Expenses	10,734	5,777
Sponsorship	-	12,045
Electricity	3,644	2,979
Office Relocation	1,500	5,113
Promotional	212	2,196
Insurance	3,207	-
Campaign Expenses	4,850	-
Sundry Expenses	17,584	12,270
Staff Training	-	2,449
National Industrial Expenses	-	5,213
National Office Other	-	522
Office Expenses	45,695	31,893
Contractors/consultants	55,158	23,528
Information communications technology	-	15,059
<b>Subtotal administration expense</b>	<b>152,074</b>	<b>134,179</b>
Operating lease rentals:		
Minimum lease payments	64,310	53,657
<b>Total administration expenses</b>	<b>216,384</b>	<b>187,836</b>
<b>Note 4E: Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

## Notes of the Financial Statements for the years ended 30 June 2015

	2015	2014
	\$	\$
<b>Note 4F: Depreciation and amortisation</b>		
Depreciation		
Leasehold Improvements	4,608	3,892
Property, plant and equipment	5,776	4,895
<b>Total depreciation</b>	<b>10,384</b>	<b>8,787</b>
<b>Note 4G: Finance costs</b>		
Interest Expense	610	1,798
<b>Total finance costs</b>	<b>610</b>	<b>1,798</b>
<b>Note 4H: Legal Costs</b>		
Litigation	655,789	190,958
Industrial legal	27,704	13,125
Other legal matters	37,506	174,307
<b>Total finance costs</b>	<b>720,999</b>	<b>378,390</b>
<b>Note 4I: Other expenses</b>		
Penalties - via RO Act or RO Regulations	-	20,454
Advertising	8	7,020
Fringe benefits tax	6,908	6,755
Workcover	4,560	1,100
Management expense	-	72,760
Motor Vehicle Expense	-	8,703
Payroll Tax	-	132
Travel and accommodation	217,878	237,415
CPD Implementation expense	193,777	-
<b>Total other expenses</b>	<b>423,131</b>	<b>354,339</b>



Notes of the Financial Statements for the years ended 30 June 2015

	2015	2014
	\$	\$
<b>Note 5 Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	561,417	1,146,868
Term deposits	60,000	60,000
<b>Total cash and cash equivalents</b>	<b>621,417</b>	<b>1,206,868</b>
<b>Note 5B: Trade and Other Receivables</b>		
<b>Receivables from other reporting units</b>		
New South Wales Branch	938	-
South Australia Branch	779	84
Victoria No. 1 Branch	48,029	-
Victoria No. 2 Branch	1,330	-
Victoria No. 3 Branch	1,173	-
Western Australia Branch	29	-
<b>Total receivables from other reporting units</b>	<b>52,278</b>	<b>84</b>
<b>Less provision for doubtful debts</b>		
<b>Total provision for doubtful debts</b>	-	-
<b>Receivable from other reporting unit[s] (net)</b>	<b>52,278</b>	<b>84</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	27,150	-
Other trade receivables	357	1,064
<b>Total other receivables</b>	<b>27,507</b>	<b>1,064</b>
<b>Total trade and other receivables (net)</b>	<b>79,785</b>	<b>1,148</b>

Notes of the Financial Statements for the years ended 30 June 2015

2015  
\$

2014  
\$

**Note 6 Non-current Assets**

**Note 6A: Leasehold Improvements**

Leasehold Improvements:

At cost	61,109	61,109
accumulated depreciation	(29,289)	(24,681)
<b>Total land and buildings</b>	<b>31,820</b>	<b>36,428</b>

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

**As at 1 July 2014**

Gross book value	61,109	25,500
Accumulated depreciation and impairment	(24,681)	(20,789)
<b>Net book value 1 July 2014</b>	<b>36,428</b>	<b>4,711</b>

Additions:

By purchase	-	35,609
Depreciation expense	(4,608)	(3,892)
<b>Net book value 30 June 2015</b>	<b>31,820</b>	<b>36,428</b>

**Net book value as of 30 June 2015**

**represented by:**

Gross book value	61,109	61,109
Accumulated depreciation and impairment	(29,289)	(24,681)
<b>Net book value 30 June 2015</b>	<b>31,820</b>	<b>36,428</b>

**Note 6B: Plant and equipment**

Plant and equipment:

at cost	179,153	174,524
accumulated depreciation	(149,269)	(143,493)
<b>Total plant and equipment</b>	<b>29,884</b>	<b>31,031</b>

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

**As at 1 July 2014**

Gross book value	174,524	149,207
Accumulated depreciation and impairment	(143,493)	(138,598)
<b>Net book value 1 July 2014</b>	<b>31,031</b>	<b>10,609</b>

Additions:

By purchase	4,628	25,317
Depreciation expense	(5,775)	(4,895)
<b>Net book value 30 June 2015</b>	<b>29,884</b>	<b>31,031</b>

**Net book value as of 30 June 2015**

**represented by:**

Gross book value	179,153	174,524
Accumulated depreciation and impairment	(149,269)	(143,493)
<b>Net book value 30 June 2015</b>	<b>29,884</b>	<b>31,031</b>

## Notes of the Financial Statements for the years ended 30 June 2015

2015            2014  
\$                    \$

### Note 7    Current Liabilities

#### Note 7A: Trade payables

Trade creditors and accruals	374,929	118,891
<b>Subtotal trade creditors</b>	<b>374,929</b>	<b>118,891</b>

#### Payables to other reporting unit[s]

Australian Nursing Federation	-	768
Tasmania No. 1 Branch	-	1,133
South Australia Branch	-	665
Victoria No. 4 Branch	4,845	-

<b>Subtotal payables to other reporting unit[s]</b>	<b>4,845</b>	<b>2,566</b>
	-	-

<b>Total trade payables</b>	<b>379,774</b>	<b>121,457</b>
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Settlement is usually made within 30 days.

#### Note 7B: Other payables

Wages and salaries	10,410	11,268
Superannuation	4,866	-
Consideration to employers for payroll deductions*	-	-
Legal costs*	-	-
GST payable	-	730,618
Other	-	10
<b>Total other payables</b>	<b>15,276</b>	<b>741,896</b>

Total other payables are expected to be settled in:

No more than 12 months	15,276	741,896
<b>Total other payables</b>	<b>15,276</b>	<b>741,896</b>

#### Note 7C: Borrowings

Loan from New South Wales Branch	100,000	-
<b>Total Borrowings</b>	<b>100,000</b>	-

On 23 June 2015 Health Services Union National office entered into a loan agreement amounting to \$100,000 and bearing an interest rate of 2.5% with Health Services Union NSW Branch repayable by 1 June 2016.

Notes of the Financial Statements for the years ended 30 June 2015

	2015	2014
	\$	\$
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave and RDO	20,704	8,072
Long service leave	30,680	24,518
<b>Subtotal employee provisions—office holders</b>	<u>51,384</u>	<u>32,590</u>
<b>Employees other than office holders:</b>		
Annual leave and RDO	44,335	44,482
Long service leave	27,684	37,560
<b>Subtotal employee provisions—employees other than office holders</b>	<u>72,019</u>	<u>82,042</u>
<b>Total employee provisions</b>	<u>123,403</u>	<u>114,632</u>
Current	95,719	52,554
Non Current	27,684	62,078
<b>Total employee provisions</b>	<u>123,403</u>	<u>114,632</u>

**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	621,417	1,206,868
Balance sheet	621,417	1,206,868
<b>Difference</b>	<u>-</u>	<u>-</u>

**Reconciliation of (deficit) to net cash from operating activities:**

(Deficit) for the year	(153,038)	(4,715)
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**Adjustments for non-cash items**

Depreciation	10,384	8,787
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**Changes in assets/liabilities**

(Increase)/decrease in trade and other receivables	(78,637)	16,369
(Decrease)/increase in trade and other payables	(468,302)	750,946
Increase in employee provisions	8,772	60,650
<b>Net cash from (used by) operating activities</b>	<u>(680,821)</u>	<u>832,037</u>

**Notes of the Financial Statements for the years ended 30 June 2015**

2015                      2014  
\$                                      \$

**Note 9B: Cash flow information**

Cash inflows

New South Wales Branch	<b>703,163</b>	649,992
South Australia Branch	<b>20,308</b>	15,729
Tasmania No. 1 Branch	<b>175,279</b>	163,380
Tasmania No. 2 Branch	-	450
Victoria No. 1 Branch	<b>228,889</b>	226,234
Victoria No. 2 Branch	<b>164,864</b>	142,107
Victoria No. 3 Branch	<b>78,765</b>	67,200
Victoria No. 4 Branch	<b>58,683</b>	58,275
Western Australia Branch	<b>130,610</b>	116,529

**Total cash inflows**

**1,560,561    1,439,896**

Cash outflows

Australian Nursing Federation	<b>3,183</b>	4,557
New South Wales Branch	<b>19,349</b>	-
South Australia Branch	<b>665</b>	665
Tasmania No. 1 Branch	<b>10,435</b>	102,972
Tasmania No. 2 Branch	-	4,275
Victoria No. 2 Branch	<b>5,348</b>	7,931
Victoria No. 3 Branch	<b>3,479</b>	2,334
Victoria No. 4 Branch	<b>2,892</b>	4,499
Western Australia Branch	<b>4,573</b>	1,898

**Total cash outflows**

**49,924        129,131**

## Notes of the Financial Statements for the years ended 30 June 2015

2015	2014
\$	\$

### 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	11,338	31,680
After one year but not more than five years	-	-
More than five years	-	-
	<u>11,338</u>	<u>31,680</u>

### 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.

##### Loans from Health Services Union NSW includes the following:

An amount of \$100,000 was provided by the New South Wales Branch during the year. Refer to Note 7C for further details.

##### 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 2015, the Health Services Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2014: \$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.

## Notes of the Financial Statements for the years ended 30 June 2015

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

#### Short-term employee benefits

Salary (including annual leave taken)	166,834	68,997
Annual leave accrued	-	-
Performance bonus	-	-
<b>Total short-term employee benefits</b>	<b>166,834</b>	<b>68,997</b>

#### Post-employment benefits:

Superannuation	17,197	6,350
<b>Total post-employment benefits</b>	<b>17,197</b>	<b>6,350</b>

#### Other long-term benefits:

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

#### Termination benefits

<b>Total</b>	<b>-</b>	<b>-</b>
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### Note 12 Remuneration of Auditors

#### Value of the services provided

Auditing the financial statements	11,250	10,750
Financial statement audit services	-	-
Other accounting services – previous matters	7,541	26,613
<b>Total remuneration of auditors</b>	<b>18,791</b>	<b>37,364</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 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 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.

## Notes of the Financial Statements for the years ended 30 June 2015

2015	2014
\$	\$

### Credit Risk (cont'd)

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

### Note 13A: Categories of financial instruments

#### *Financial assets*

Fair value through profit or loss:

Cash and cash equivalents	621,417	1,206,868
Trade and other receivables	79,785	1,148
<b>Total</b>	<b>701,202</b>	<b>1,208,016</b>

#### *Carrying amount of financial assets*

<b>701,202</b>	<b>1,208,016</b>
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#### *Financial liabilities*

Borrowings	100,000	-
Trade and other payables	400,417	863,353
<b>Total</b>	<b>500,417</b>	<b>863,353</b>

#### *Carrying amount of financial liabilities*

<b>500,417</b>	<b>863,353</b>
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Notes of the Financial Statements for the years ended 30 June 2015

2015  
\$

2014  
\$

**Note 13B: Net income and expense from financial assets**

	Carrying amount 2015 \$	Fair Value 2015 \$	Carrying amount 2014 \$	Fair Value 2014 \$
<b>Financial Assets</b>				
Cash and cash equivalents	621,417	621,417	1,206,868	1,206,868
Loans and receivables	79,785	79,785	1,148	1,148
<b>Total</b>	<b>701,202</b>	<b>701,202</b>	<b>1,208,016</b>	<b>1,208,016</b>
<b>Financial Liabilities</b>				
Borrowings	100,000	100,000	-	-
Trade and other payables	400,417	400,417	863,353	863,353
<b>Total</b>	<b>500,417</b>	<b>500,417</b>	<b>863,353</b>	<b>863,353</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	79,785	1,148
<b>Total</b>	<b>79,785</b>	<b>1,148</b>
<b>Financial liabilities</b>		
Borrowings	100,000	-
Trade and other payables	400,417	863,353
<b>Total</b>	<b>500,417</b>	<b>863,353</b>

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**

	Not Past Due Nor Impaired 2015 \$	Past due or impaired 2015 \$	Not Past Due Nor Impaired 2014 \$	Past due or impaired 2014 \$
Loans and receivables	79,785	-	1,148	-
<b>Total</b>	<b>79,785</b>	<b>-</b>	<b>1,148</b>	<b>-</b>

## Notes of the Financial Statements for the years ended 30 June 2015

### Note 13C: Credit risk (cont'd)

	2015	2014
	\$	\$

#### Ageing of financial assets that were past due but not impaired for 2015

	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 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 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	400,417	-	-	-	400,417
Borrowings	-	100,000	-	-	-	100,000
<b>Total</b>	-	500,417	-	-	-	500,417

#### Maturities for financial liabilities 2014

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

## Notes of the Financial Statements for the years ended 30 June 2015

### Note 13E: Market risk

The Health Services 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 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).

**Note 15: Disclosures to members required by rules 85-88 Rule 86**

**Remuneration paid to the highest paid officers - financial year ending 30 June 2015**

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
<b>National Union</b>	National Secretary Member National Executive National Councillor	Chris Brown	Wages	Payment	\$166,834	Health Services Union
			Superannuation (Do not include any employee contributions)	Payment	\$17,197	Health Services Union
<b>South Australia/ Northern Territory Branch</b>	Branch Secretary Member National Executive National Councillor	Jorge Navas	Wages	Payment	\$100,704	SA/NT Branch
			Superannuation (Do not include any employee contributions)	Payment	\$9,567	SA/NT Branch
			Private use of motor vehicle	Non cash payment	\$3,050	SA/NT Branch
<b>Western Australia</b>	Branch Secretary Senior National Vice President Member National Executive National Councillor	Dan Hill	Wages	Payment	\$128,931	Health Services Union of WA (Union of Workers)
			Superannuation (Do not include any employee contributions)	Payment	\$23,802	Health Services Union of WA (Union of Workers)
			Salary Packaging Superannuation	Payment	\$14,380	Health Services Union of WA (Union of Workers)
			Private use of motor vehicle	Non cash payment	\$14,399	Health Services Union of WA (Union of Workers)

<b>Western Australia</b>	Assistant Secretary Member National Executive National Councillor	Chris Panizza	Wages	Payment	\$113,611	Health Services Union of WA (Union of Workers)
			Superannuation	Payment	\$16,950	Health Services Union of WA (Union of Workers)
			Private use of motor vehicle	Payment	\$14,399	Health Services Union of WA (Union of Workers)
			Salary Packaging Superannuation	Payment	\$9,300	Health Services Union of WA (Union of Workers)

<b>Tasmania No1 Branch</b>	Branch Junior Vice President National Councillor	Chris Webb	Wages	Payment	\$2,804	Tasmania Branch
<b>Tasmania No.1 Branch</b>	Branch Secretary Junior Vice President Member National Executive National Councillor	Tim Jacobson	Wages	Payment	\$119,894	Tasmania Branch
			Superannuation	Payment	\$27,238	Tasmania Branch
			Private use of motor vehicle	Non cash payment	\$8,148	Tasmania Branch
<b>Tasmania No.1 Branch</b>	Branch Assistant Secretary Member National Executive National Councillor	Robbie Moore	Wages	Payment	\$93,203	Tasmania Branch
			Superannuation	Payment	\$21,219	Tasmania Branch
			Private use of motor vehicle	Non cash payment	\$1,737	Tasmania Branch

<b>Victoria No.1 Branch</b>	Branch Secretary Member National Executive National Councillor	Diana Asmar	Wages	Payment	\$127,189	Victoria No.1 Branch
			Maternity Leave paid out as approved by BCOM	Payment	\$25,975	Victoria No.1 Branch
			Leave Paid out	Payment	\$24,035	Victoria No. 1 Branch
			Superannuation	Payment	\$16,537	Victoria No. 1 Branch
<b>Victoria No.1 Branch</b>	Branch Assistant Secretary National Councillor	David Eden	Wages	Payment	\$100,279	Victoria No.1 Branch
			Leave Paid out	Payment	\$17,752	Victoria No. 1 Branch
			Superannuation	Payment	\$11,079	Victoria No.1 Branch
<b>Victoria No 2 Branch</b>	Branch President National Councillor	Debbie Gunn	Honorarium	Payment	\$2 000	Victoria No.2 Branch
			Superannuation on Honorarium	Payment	\$190	Victoria No.2 Branch
<b>Victoria No 2 Branch</b>	Branch Secretary National President Member National Executive National Councillor	Lloyd Williams	Mandatory Superannuation 9.25%. Paid to Officer in his capacity as a HSU nominated Director.	Payment	\$3,970	HESTA
			Wages	Payment	\$136,429	Victoria No.2 Branch
			Superannuation	Payment	\$19 642	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non Cash Payment	\$1,063	Victoria No.2 Branch
<b>Victoria No 2 Branch</b>	Branch Assistant Secretary Member National Executive National Councillor	Paul Healey	Wages	Payment	\$124,256	Victoria No.2 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$17,189	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non Cash Payment	\$5,459	Victoria No.2 Branch

<b>Victoria No 3 Branch</b>	Branch Secretary National Trustee Member National Executive Branch Councillor	Craig McGregor	Wages	Payment	\$132,733	Victoria No.3 Branch
			Superannuation	Payment	\$12,366	Victoria No.3 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non Cash Payment	\$4,729	Victoria No.3 Branch
<b>Victoria No 3 Branch</b>	Branch Assistant Secretary Member National Executive National Councillor	Andrew Hewat	Wages	Payment	\$46,084	Victoria No.3 Branch
			Superannuation	Payment	\$4,378	Victoria No.3 Branch
			Sitting fees	Payment	\$655	Australian Health Practitioners Regulatory Authority \$518.58 passed on to the Victoria No. 3 Branch.\$518.58 passed on to the Victoria No. 3 Branch.
			Superannuation	Payment	\$62	Australian Health Practitioners Regulatory Authority
<b>Victoria No4 Branch</b>	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	\$7,464	First State Super Trustee Corporation

<b>New South Wales</b>	Branch Secretary National Assistant Secretary Member National Executive National Councillor	Gerard Hayes	Wages	Payment	\$132,242	Health Service Union NSW (State Registered)
			Superannuation	Payment	\$13,632	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Branch Assistant Secretary/Treasurer Member National Executive National Councillor	Andrew Lillicrap	Wages	Payment	\$108,566	Health Service Union NSW (State Registered)
			Superannuation	Payment	\$12,659	Health Service Union NSW (State Registered)
			Reportable Fringe Benefits	Grossed reportable up	\$30,000	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Branch President National Councillor	Mark Sterrey	Honorarium	Payment	\$4,000	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Branch Senior Vice President National Councillor	Leanne Burns	Honorarium	Payment	\$1,000	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Branch Junior Vice President National Councillor	Lindy Twyford	Honorarium	Payment	\$875	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Member of Branch Union Council National Councillor	Lynne Russell	Honorarium	Payment	\$600	Health Service Union NSW (State Registered)



<b>New South Wales</b>	Member of Branch Union Council National Councillor	Sharon Joseph	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Member of Branch Union Council National Councillor	Alan Wilcock	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Member of Branch Union Council National Councillor	John Chester	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Member of Branch Union Council National Councillor	Susanne Davis	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Member of Branch Union Council National Councillor	Steven Fraser	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Member of Branch Union Council National Councillor	Peter Iffland	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Member of Branch Union Council National Councillor	Shirley O'Riley	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
<b>New South Wales</b>	Member of Branch Union Council National Councillor	Gillian Reilly	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
<b>New South Wales</b>	National Councillor	Adrian Coates	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)

<b>New South Wales</b>	National Councillor	Marianna Milosavjevic	Honorarium	Payment	\$375	Health Service Union NSW (State Registered)
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Rule 87 Disclosure of material personal interests - financial year ending 30 June 2015

Branch	Name of Office	Name of Office Holder	Description of Material Personal Interest
Tasmania No 1 Branch	Branch Secretary National Junior Vice President Member National Executive National Councillor	Tim Jacobson	Director of 71 Elphin Road Pty Ltd which is a trustee company holding real estate property on behalf of the Tasmania Branch.
			Mr Jacobson's wife, Tammy Munro is an employee of the Tasmania Branch and receives a wage and other employment benefits from the Branch.
Tasmania No 1 Branch	Branch Junior Vice President National Councillor	Christopher Webb	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 engage the legal services of Slater & Gordon.
Victoria No.3 Branch	Branch Secretary National Trustee National Councillor	Craig McGregor	The brother of the Officer is the owner and director of Plakkit Pty Ltd, a business engaged to print and distribute posters as part of the Community Health campaign. Quotes were sourced from three providers and a Procurement Report generated. The Branch Committee of Management made an assessment of all relevant documents including the Procurement Report and awarded the work to Plakkit Pty Ltd, recorded as BCOM Resolutions BC072/2014, BC099/2014 and BC0119/2014. The relevant Officer declared the interest prior to any decision being made, and properly disqualified himself from the selection process
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.