



7 October 2015

Mr Timothy Jacobson
State Secretary
Health Services Union, Tasmania Branch
11 Clare Street
New Town TAS 7008

via e-mail: admin@hacsutas.net.au

Dear Mr Jacobson

**Health Services Union, Tasmania Branch
Financial Report for the year ended 30 June 2015 - FR2015/221**

I acknowledge receipt of the financial report for the year ended 30 June 2015 for the Health Services Union, Tasmania Branch (HSU-TAS). The financial report was lodged with the Fair Work Commission (FWC) on 28 September 2015.

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

Whilst the 2015 report has been filed the following should be addressed in the preparation of the next financial report.

1. Committee of Management Statement

Wages recovery statement

Item (f) and (g) of the Committee of Management Statement have included the wording from the FWC 'Model Financial Statements'. Item (f) states that the SGA did not derive revenue from recovery of wages activity during the reporting period but then item (g) indicates that the SGA did in fact derive revenue from recovery of wages activities. Only one of these events could have occurred during the reporting period.

The 'Recovery of Wages Activity' statement confirms that there was no recovery of wages. Therefore, in place of the current wording for items (f) and (g) the Committee of Management Statement should simply include (f) "no revenue has been derived from undertaking recovery of wages activity during the report period"

2. General Purpose Financial Report (GPFR)

Activities under Reporting Guidelines (RG) not disclosed

Item 13 of the RG states that if the activities identified in items 10 and 11 have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following items no such disclosure has been made:

- 10 - going concern financial support received from another reporting unit (refers to agreement regarding financial support not dollar amount)
- 11 - going concern financial support provided to another reporting unit (refers to agreement regarding financial support not dollar amount)

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or by email at ken.morgan@fwc.gov.au

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

The General Manager
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir

FINANCIAL RETURNS FOR 2014/2015

In accordance with reporting requirements under s268 of Fair Work (Registered Organisations) Act 2009, please find attached:

- A copy of the full report of the General Purpose Financial Report 2014/2015
- Designated Officer's Certificate;

for the Health Services Union, Tasmania Branch.

Yours sincerely



Tim Jacobson
STATE SECRETARY

28 September 2015

Health Services Union, Tasmania Branch

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2015

I, Timothy Martin Jacobson, being the Branch Secretary of the Health Services Union, Tasmania Branch, certify:

- That the documents lodged herewith is a copy of the full report for the Health Services Union, Tasmania Branch, 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 2 September 2015; and;
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 15 September 2015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer:

Name of prescribed designated officer:

Timothy Martin Jacobson

Title of prescribed designated officer:

Branch Secretary

Dated:

28 September 2015

FINANCIAL REPORT

FOR THE YEAR ENDED 30 JUNE 2015

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2015**

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Health Services Union, Tasmania Branch

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

- Representing individual members in grievance disputes with employers. The Branch's Member Contact Centre, HACSUassist continued to support hundred's of members with the provision on information and representation with grievances and disputes with their employer. The level of activity in this area was consistent with the previous year's activity.
- Representing groups of members at various workplaces regarding disputes with employers. The HACSU Organising teams in the South and North/North-West of the State worked with groups on members at worksites concerning issues with their employer.
- Negotiating Collective Bargaining Agreements resulting in increased wages and conditions for members covered by those Agreements. Agreements were renegotiated as they expired and new agreements were entered into. The number of members covered by Collective Bargaining Agreements was at approximately the same level as the previous year.
- Providing certain classes of members with professional indemnity and legal benefits insurance. The number of claims made against these policies was consistent with the previous year.
- Providing members with access to cheap affordable holidays in the Union's holiday homes. The number of members accessing the holiday homes was at about the same level as the previous year.
- Providing Union Delegates and Worksite Committee members with training and education to enable them to better represent members in the workplace. The level of training was at about the same level as last year.
- Providing members with access to affordable continuing professional development through the provision of online learning.

Significant changes in financial affairs

The net assets of the Branch increased by \$181,288 during the financial year.

INCOME

Total income was up \$111,747 on the previous financial year.

Membership subscriptions increased by \$91,251 compared to the previous financial year. Whilst membership numbers have decreased the income of the branch increased due to increases in membership subscription rates.

Other revenue was up by \$38,198, this was primarily associated with an increase in workers compensation reimbursements and increases in discount card sales.

EXPENSES

Overall expenditure of the branch increased by \$44,827.

Capitation fees were up \$11,899 on the previous year due to an increase in capitation fees payable to the National Union.

Affiliation fees were up \$2,498 due to an increase in affiliation fee rates.

A summary of the main movement in areas of operating expenditure were:

- Insurance expenses were down by \$6,723 to \$90,510.
- Electricity was down by \$9,325 to \$22,213 due to a review of the Branch's electricity usage.
- Legal costs increased \$29,318 primarily due to defending an appeal in the Tasmanian Supreme Court relating to Ambulance members work value and legal costs associated with a claim by members against Liviende Inc relating to employee classifications.
- Printing and photocopy costs were down \$9,531 to \$11,617 primarily due to reduced copy costs on new photocopiers.
- Organising Campaign Expenses increased by \$3,457 due to an increase in industrial activity during the year
- Expenditure on Discount Card purchases increased by \$85,832 to \$469,775 largely due to a new offering of Coles Myer Group discount cards creating higher demand.

Right of members to resign

Section 174 of Fair Work (Registered Organisations) Act 2009 states that a member of the Union may resign from membership by written notice addressed and delivered to the State Secretary giving two weeks' notice.

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

No Officers or employees were superannuation fund trustee(s) or directors of a company that is a superannuation fund trustee, including an exempt public sector superannuation fund during the financial year.

Number of members

The number of persons that were members of the union at 30 June 2015 was 7,570.

Number of employees

As at 30 June 2015, the number of full-time equivalent persons, excluding casuals, who were employees of the Union, was 26.

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

The following persons were members of the Committee of Management of the reporting unit during the 2014/2015 Financial Year.

Judy Richmond	Branch President	1 Jul 2014 to 30 Jun 2015
Tim Jacobson	Branch Secretary	1 Jul 2014 to 30 Jun 2015
Robbie Moore	Assistant Branch Secretary	1 Jul 2014 to 30 Jun 2015
John Richardson	Senior Vice President	1 Jul 2014 to 30 Jun 2015
Chris Webb	Junior Vice President	1 Jul 2014 to 30 Jun 2015
Leigh Gorringe	Branch Trustee	1 Jul 2014 to 30 Jun 2015
Peter Moore	Branch Trustee	1 Jul 2014 to 30 Jun 2015
Andrew Challis	COM Member	1 Jul 2014 to 30 Jun 2015
Christine Hansson	COM Member	1 Jul 2014 to 30 Jun 2015
Pru Peschar	COM Member	1 Jul 2014 to 30 Jun 2015
Carolyn Shearer	COM Member	1 Jul 2014 to 30 Jun 2015
Mike Coombs	COM Member	1 Jul 2014 to 30 Jun 2015
Pam Brock	COM Member	1 Jul 2014 to 30 Jun 2015
Marlene McHenry	COM Member	1 Jul 2014 to 30 Jun 2015
Audrey Prosser	COM Member	1 Jul 2014 to 30 Jun 2015
Lynne-Maree Rush	COM Member	14 Aug 2014 to 13 Jan 2015
Zita Mitchell	COM Member	27 Mar 2015 to 30 Jun 2015

Name of prescribed designated officer:

Timothy Martin Jacobson

Title of prescribed designated officer:

Branch Secretary

Signature:



Dated:

27 July 2015

Health Services Union, Tasmania Branch

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2015

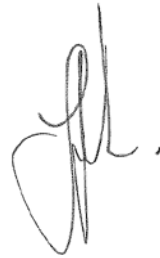
On the 28th of July 2015 the Branch Committee of Management of the Health Services Union, Tasmania Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2015:

The Branch Committee of Management 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) 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 recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and
- (iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and
- (v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from monies recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

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



Name of prescribed designated officer:

Timothy Martin Jacobson

Title of prescribed designated officer:

Branch Secretary

Dated: 28 July 2015

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 \$	2014 \$
Revenue			
Membership subscriptions		3,533,367	3,442,116
Capitation fees	3(a)	-	-
Levies	3(b)	5,536	23,346
Interest	3(c)	25,317	21,377
Rental revenue	3(d)	34,189	46,548
Grants & donations	3(e)	-	-
Other revenue	3(g)	695,686	657,488
Total revenue		<u>4,294,095</u>	<u>4,190,875</u>
Other income			
Net gains/(losses) from sale of assets	3(f), 4(j)	2,687	(5,840)
Total other income		<u>2,687</u>	<u>(5,840)</u>
Total income		<u>4,296,782</u>	<u>4,185,035</u>
Expenses			
Employee expenses	4(a)	2,203,625	2,202,175
Capitation fees	4(b)	175,279	163,380
Affiliation fees	4(c)	72,025	69,527
Administration expenses	4(d)	473,736	489,111
Grants & donations	4(e)	3,000	15,500
Depreciation, amortisation & impairment	4(f), 4(i)	108,053	113,937
Finance costs	4(g)	-	-
Legal costs	4(h)	66,887	37,569
Audit fees	13	13,200	14,415
Other expenses	4(k)	999,689	965,053
Total expenses		<u>4,115,494</u>	<u>4,070,667</u>
Profit/(loss) for the year		<u>181,288</u>	<u>114,368</u>
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Gain on revaluation of land & buildings		-	-
Total comprehensive income for the year		<u>181,288</u>	<u>114,368</u>

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2015**

	NOTE	2015 \$	2014 \$
ASSETS			
Current assets			
Cash & cash equivalents	5(a)	1,128,688	853,364
Trade & other receivables	5(b)	1,497	3,597
Other current assets	5(c)	242,789	243,377
Total current assets		1,372,974	1,100,338
Non-current assets			
Land & buildings	6(a)	2,226,971	2,226,971
Plant & equipment	6(b)	72,608	65,013
Furniture & fittings	6(c)	33,164	36,442
Motor vehicles	6(d)	174,168	220,424
Intangibles	6(e)	53,171	66,462
Total non-current assets		2,560,082	2,615,312
TOTAL ASSETS		3,933,056	3,715,650
LIABILITIES			
Current liabilities			
Trade payables	7(a)	-	38,038
Other payables	7(b)	125,489	105,485
Employee provisions	8(a)	329,594	287,773
Total current liabilities		455,083	431,296
Non-current liabilities			
Employee provisions	8(a)	69,038	56,707
Other non-current liabilities	9	-	-
Total non-current liabilities		69,038	56,707
TOTAL LIABILITIES		524,121	488,003
NET ASSETS		3,408,935	3,227,647
EQUITY			
Asset revaluation reserve	10	444,389	444,389
Retained earnings/(accumulated deficit)	10	2,964,546	2,783,258
TOTAL EQUITY		3,408,935	3,227,647

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
Balance as at 1 July 2013		2,668,890	444,389	3,113,279
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		114,368	-	114,368
Other comprehensive income for the year		-	-	-
Transfers (to)/from reserves		-	-	-
Transfers from retained earnings		-	-	-
Closing balance as at 30 June 2014		2,783,258	444,389	3,227,647
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		181,288	-	181,288
Other comprehensive income for the year		-	-	-
Transfers (to)/from reserves		-	-	-
Transfers from retained earnings		-	-	-
Closing balance as at 30 June 2015	10	2,964,546	444,389	3,408,935

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 \$	2014 \$
OPERATING ACTIVITIES			
Cash received			
Membership subscriptions		3,540,818	3,792,035
Receipts from other reporting units/controlled entity(s)	11(b)	23,457	162,628
Interest received		25,317	21,377
Other		709,237	601,872
Cash paid			
Employees		(2,118,188)	(2,209,272)
Suppliers		(1,679,901)	(2,062,211)
Payments to other reporting units/controlled entity(s)	11(b)	(175,279)	(163,380)
Net cash from/(used in) operating activities	11(a)	325,461	143,049
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant & equipment		19,545	50,182
Proceeds from sale of land & buildings		-	-
Other		-	-
Cash paid			
Purchase of plant & equipment		(69,682)	(78,547)
Purchase of land & buildings		-	-
Other		-	-
Net cash from/(used in) investing activities		(50,137)	(28,365)
FINANCING ACTIVITIES			
Cash received			
Contributed entity		-	-
Other		-	-
Cash paid			
Repayment of borrowings		-	-
Other		-	-
Net cash from/(used in) investing activities		-	-
Net increase/(decrease) in cash held		275,324	114,684
Cash and cash equivalents at the beginning of the reporting period		853,364	738,680
Cash and cash equivalents at the end of the reporting period	5(a)	1,128,688	853,364

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2015**

	NOTE	2015 \$	2014 \$
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		-	-
		<hr/>	<hr/>
Total receipts		-	-
		<hr/>	<hr/>
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		-	-
		<hr/>	<hr/>
Total payments		-	-
		<hr/>	<hr/>
Cash asset's in respect of recovered money at end of year		-	-
		<hr/>	<hr/>
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		-	-
Fund or account operated for recovery of wages		-	-

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

1. Accounting Policies

(a) 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, Health Services Union (Tasmania Branch) is a not-for-profit entity.

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

(b) Comparative amounts

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

(c) Significant Accounting Judgements and Estimates

There are no accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(d) 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.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards, which have been adopted for the first time this financial year:

AASB 10 Consolidated Financial Statements redefines the concept of control. AASB 10 replaces the consolidation requirements of SIC-12 Consolidation—Special Purpose Entities and AASB 127 Consolidated and Separate Financial Statements and is effective for not-for-profit entities with annual periods beginning on or after 1 January 2014. This Standard did not have an impact on Health Services Union (Tasmania Branch).

AASB 11 Joint Arrangements sets out a new framework for the accounting for joint ventures, including removal of the option to use proportionate consolidation. This Standard did not have an impact on Health Services Union (Tasmania Branch).

AASB 12 Disclosures of Interests in Other Entities is a disclosure standard that includes all of the disclosure requirements for subsidiaries, joint arrangements, associates and consolidated and unconsolidated structured entities. As a result of adopting this Standard, additional disclosures on the Health Services Union (Tasmania Branch) associates have been included in Note 12.

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 (Tasmania Branch) are nil.

(e) Investment in associates

An associate is an entity over which the Health Services Union (Tasmania Branch) has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations.' Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the Health Services Union (Tasmania Branch) discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

1. Accounting Policies (cont.)

(f) Revenue

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

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

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

Donation income is recognised when it is received.

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

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

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

(g) Government grants

Government grants are not recognised until there is reasonable assurance that the Health Services Union (Tasmania Branch) will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Health Services Union (Tasmania Branch) recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Health Services Union (Tasmania Branch) should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Health Services Union (Tasmania Branch) with no future related costs are recognised in profit or loss in the period in which they become receivable.

(h) Gains

Sale of assets

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

(i) Capitation fees and levies

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

(j) Employee benefits

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

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

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

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

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

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

1. Accounting Policies (cont.)

(k) Borrowing costs

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

(l) 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.

(m) Financial instruments

Financial assets and financial liabilities are recognised when the union 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.

(n) Financial assets

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

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

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

Held-to-maturity investments

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

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

1. Accounting Policies (cont.)

(n) Financial assets (cont.)

Available-for-sale

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

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

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

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

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

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.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

1. Accounting Policies (cont.)

(n) Financial assets (cont.)

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.

(o) 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

- 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

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.

(p) 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.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

1. Accounting Policies (cont.)

(q) Land, Buildings, Plant & Equipment

Asset Recognition Threshold

Purchases of land, buildings, Plant & 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.

Revaluations—Land & Buildings

Following initial recognition at cost, Land & Buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, Plant & 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:

	2015	2014
Land & Buildings	Not depreciated	Not depreciated
Plant & Equipment	0 to 5 years	0 to 5 years
Furniture & Fittings	0 to 5 years	0 to 5 years
Motor Vehicles	5 to 8 years	5 to 8 years

Derecognition

An item of land, buildings, Plant & 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 & 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.

(r) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(s) Intangibles

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

The useful life of Health Services Union (Tasmania Branch) intangible assets are:

	2015	2014
Intangibles	3 to 10 years	3 to 10 years

Derecognition

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

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

1. Accounting Policies (cont.)

(t) 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 union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(u) Non-current assets held for sale

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

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

(v) Taxation

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

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

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

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

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(w) Fair value measurement

The union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

1. Accounting Policies (cont.)

(w) Fair value measurement (cont.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best

The union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

2. Events after the reporting period

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

	2015	2014
	\$	\$
3. Revenues		
(a) Capitation fees		
Capitation fees	-	-
Total capitation fees	-	-
(b) Levies		
Ambulance Tasmania Professional Rates Hearing Levy	5,536	23,346
Total levies	5,536	23,346
(c) Interest		
Bank accounts and deposits	25,317	21,377
Total interest	25,317	21,377

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

	2015	2014
	\$	\$
3. Revenues (cont.)		
(d) Rental revenue		
Properties	34,189	46,548
Total rent received	34,189	46,548
(e) Grants & donations		
Grants	-	-
Donations	-	-
Total grants & donations	-	-
(f) Net gain on sale from assets		
Land & Buildings	-	-
Intangibles	-	-
Motor vehicles	-	-
Plant & Equipment	2,687	-
Total net gain on sale of assets	2,687	-
(g) Other revenue		
Management fees	33,298	20,455
Movie ticket sales	126,153	107,758
Discount card sales	469,775	383,942
Merchandise - promotional	718	259
Sundry:		
National Office reimbursement - wages	-	72,760
National Office reimbursement	2,331	15,903
National Exec reimbursement	6,125	5,276
Delegate training reimbursement	-	5,114
Outbound calling income	-	-
Worker's compensation reimbursement	15,365	2,040
Government Paid parental leave	-	-
HACSU Vic #2 - TUEF Education project (2013)	15,000	8,225
Sponsorship and advertising income	4,818	13,291
Other	22,103	22,465
Total Revenue	695,686	657,488
4. Expenses		
(a) Employee expenses		
Holders of office:		
Wages and salaries	215,901	289,919
Superannuation	48,514	53,094
Leave and other entitlements	12,491	(54,406)
Separation and redundancies	-	122,441
Other employee expenses	1,795	6,198
Subtotal employee expenses - holders of office	278,700	417,246

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

	2015	2014
	\$	\$
4. Expenses (cont.)		
(a) Employee expenses (cont.)		
Employees other than office holders:		
Wages and salaries	1,586,547	1,469,622
Superannuation	284,146	255,521
Leave and other entitlements	41,661	47,808
Separation and redundancies	-	-
Other employee expenses	12,571	11,978
Subtotal employee expenses - employees other than holders of office	1,924,925	1,784,929
Total employee expense	2,203,625	2,202,175
(b) Capitation fees		
National Office	175,279	163,380
Total capitation fees	175,279	163,380
(c) Affiliation fees		
ALP	26,604	25,108
APHEDA	236	260
Unions Tasmania	44,594	43,568
TasCOSS	591	591
Total affiliation fees	72,025	69,527
(d) Administration expenses		
Consideration to employers for payroll deductions	2,347	2,161
Compulsory levies	-	-
Fees/allowances - meeting and conferences	982	4,484
Conference and meeting expenses	59,029	59,591
Contractors/consultants	47,273	47,273
Property expenses	121,229	120,413
Office expenses	70,013	95,679
Information communications technology	172,863	159,510
Total administration expenses	473,736	489,111
(e) Grants & donations		
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	-	500
Total paid that exceeded \$1,000	3,000	15,000
Total grants or donations	3,000	15,500

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

	2015	2014
	\$	\$
4. Expenses (cont.)		
(f) Depreciation & amortisation		
Depreciation:		
Land & buildings	-	-
Plant & equipment	26,254	14,892
Office furniture	6,267	7,301
Motor vehicles	62,241	75,129
Total depreciation	<u>94,762</u>	<u>97,322</u>
Amortisation:		
Information systems	13,291	16,615
Total amortisation	<u>13,291</u>	<u>16,615</u>
Total depreciation & amortisation	<u>108,053</u>	<u>113,937</u>
(g) Finance costs		
Overdrafts/loans	-	-
Total finance costs	<u>-</u>	<u>-</u>
(h) Legal costs		
Litigation	-	-
Other legal matters	66,887	37,569
Total legal costs	<u>66,887</u>	<u>37,569</u>
(i) Write-down & impairment of assets		
Asset write-downs and impairments of:		
Land & buildings	-	-
Plant & equipment	-	-
Intangible assets	-	-
Other	-	-
Total write down and impairment of assets	<u>-</u>	<u>-</u>
(j) Net losses from sale of assets		
Land & Buildings	-	-
Plant & Equipment	-	-
Motor vehicles	-	5,840
Intangibles	-	-
Total net losses from asset sales	<u>-</u>	<u>5,840</u>
(k) Other expenses		
Insurances	90,510	86,557
INFORM member magazine	16,953	32,780
Staff training	16,761	18,454
Delegate training	4,224	13,983
Movie ticket purchases	124,634	104,119
Discount card purchases	469,768	384,065
Other expenses	276,839	325,095
Penalties (via RO Act or RO Regulations)	-	-
Total other expenses	<u>999,689</u>	<u>965,053</u>

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

	2015	2014
	\$	\$
5. Current Assets		
(a) Cash & cash equivalents		
Cash at bank	64,946	25,230
Cash on hand	600	1,100
Deposits at call	1,063,142	827,034
Total cash and cash equivalents	1,128,688	853,364
(b) Trade & other receivables		
Receivables from other reporting unit(s):		
HACSU (VIC No.2 Branch)	-	-
HSU National Office	308	1,133
Total receivables from other reporting unit(s)	308	1,133
less provision for doubtful debts		
HACSU (VIC No.2 Branch)	-	-
HSU National Office	-	-
Total provision for doubtful debts	-	-
Net receivable from other reporting units	308	1,133
Other receivables:		
GST receivable from the Australian Taxation Office	-	-
Membership fees in arrears	984	2,414
Other trade receivables	205	50
Total other receivables	1,189	2,464
Total trade and other receivables (net)	1,497	3,597
(c) Other current assets		
Inventory (movie tickets and discount cards)	150,252	151,406
Insurance accrual	92,537	91,971
Total other current assets	242,789	243,377
6. Non-current Assets		
(a) Land & Buildings		
Land & Buildings:		
Fair value	2,226,971	2,226,971
Accumulated depreciation	-	-
Total Land & Buildings	2,226,971	2,226,971
Reconciliation of the opening and closing balances of land & buildings:		
Balance at beginning of year:	2,226,971	2,226,971
Additions	-	-
Disposals	-	-
Depreciation expense	-	-
Profit/(Loss) on disposal	-	-
Balance at end of year	2,226,971	2,226,971

**HEALTH SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

	2015	2014
	\$	\$
6. Non-current Assets (cont.)		
(b) Plant & Equipment		
Plant & Equipment:		
At cost	579,958	546,109
Accumulated depreciation	(507,350)	(481,096)
Total Plant & Equipment	72,608	65,013
Reconciliation of the opening and closing balances of plant & equipment:		
Balance at beginning of year:	65,013	46,202
Additions	33,849	35,206
Disposals	-	(182)
Depreciation expense	(26,254)	(14,892)
Profit/(Loss) on disposal	-	(1,321)
Balance at end of year	72,608	65,013
(c) Furniture & Fittings		
Furniture & Fittings		
At cost	139,424	136,435
Accumulated depreciation	(106,260)	(99,993)
Total furniture & fittings	33,164	36,442
Reconciliation of the opening and closing balances of furniture & fittings:		
Balance at beginning of year:	36,442	41,337
Additions	2,989	2,406
Disposals	-	-
Depreciation expense	(6,267)	(7,301)
Profit/(Loss) on disposal	-	-
Balance at end of year	33,164	36,442
(d) Motor vehicles		
Motor Vehicles		
At cost	351,211	353,329
Accumulated depreciation	(177,043)	(132,905)
Total motor vehicles	174,168	220,424
Reconciliation of the opening and closing balances of motor vehicles:		
Balance at beginning of year:	220,424	309,136
Additions	32,844	40,936
Disposals	(19,546)	(50,000)
Depreciation expense	(62,241)	(75,129)
Profit/(Loss) on disposal	2,687	(4,519)
Balance at end of year	174,168	220,424

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

	2015	2014
	\$	\$
6. Non-current Assets (cont.)		
(e) Intangibles		
Computer software at cost:		
Internally developed	-	-
Purchased	195,653	195,653
Accumulated amortisation	(142,482)	(129,191)
Total intangibles	53,171	66,462
Reconciliation of the opening and closing balances of intangibles:		
Balance at beginning of year:	66,462	83,077
Additions	-	-
Disposals	-	-
Depreciation expense	(13,291)	(16,615)
Profit/(Loss) on disposal	-	-
Balance at end of year	53,171	66,462
7. Current liabilities		
(a) Trade payables		
Trade creditors and accruals	-	38,038
Subtotal trade creditors	-	38,038
Payables to other reporting unit(s)		
HACSU (VIC No.2 Branch)	-	-
HSU National Office	-	-
Subtotal payables to other reporting unit(s)	-	-
Total trade creditors	-	38,038
(b) Other payables		
Wages and salaries	16,920	-
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	66,348	63,226
Other	42,221	42,259
Total other payables	125,489	105,485
Total other payables are expected to be settled in:		
No more than 12 months	125,489	105,485
More than 12 months	-	-
Total other payables	125,489	105,485

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

	2015	2014
	\$	\$
8. Provisions		
(a) Employee provisions		
Office holders:		
Annual leave	65,787	59,450
Long service leave	38,535	32,382
Separation and redundancies	-	-
Other	-	-
Subtotal employee provision - office holders	104,322	91,832
Employees other than office holders:		
Annual leave	143,360	129,723
Long service leave	150,950	122,925
Separation and redundancies	-	-
Other	-	-
Subtotal employee provision - other than office holders	294,310	252,648
Total employee provisions	398,632	344,480
(b) Employee provisions due		
Current	329,594	287,773
Non-current	69,038	56,707
Total employee provisions	398,632	344,480
	Annual	Long-
	leave	service
		leave
Movement in the carrying amount of provisions		Total
Opening balance	189,174	155,306
Additional provisions made in the period	233,685	34,179
Amounts used during the period	(213,712)	-
Unused amounts reversed during the period	-	-
Closing balance	209,147	189,485
398,632	189,485	398,632
9. Non-current Liabilities		
Other non-current liabilities		
Other	-	-
Total other non-current liabilities	-	-
10. Equity		
Retained earnings		
Balance at start of year	2,783,258	2,668,890
Profit for the year	181,288	114,368
Balance at the end of the year	2,964,546	2,783,258
Asset revaluation reserve		
Balance at start of year	444,389	444,389
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance at end of year	444,389	444,389
Total equity	3,408,935	3,227,647

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

	2015	2014
	\$	\$
11. Cash Flow		
(a) 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	1,128,688	853,364
Balance sheet	1,128,688	853,364
Difference	-	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	181,288	114,368
Adjustments for non cash items:		
Depreciation/amortisation	108,053	113,937
(Gain)/loss on disposal of assets	(2,687)	5,840
Changes in assets/liabilities:		
(Increase)/decrease in net receivables	(35,938)	59,382
(Increase)/decrease in prepayments/inventory	1,155	(148,065)
Increase/(decrease) in net supplier payables	2,518	22,861
Increase/(decrease) in employee provisions	71,072	(25,274)
Net cash from (used by) operating activities	325,461	143,049
(b) Cash flow information - other reporting units		
Cash inflows		
National Office reimbursement - wages	-	112,760
National Office reimbursement	2,331	21,368
National Exec reimbursement	6,126	5,275
HACSU Vic #2 - TUEF Education project 2013	15,000	23,225
Other	-	-
Total cash inflows - other reporting units	23,457	162,628
Cash outflows		
National Office - capitation fees	175,279	163,380
Other	-	-
Total cash outflows - other reporting units	175,279	163,380

12. Related Party Disclosures

(a) Related party transactions for the reporting period:

71 Elphin Road Pty Ltd

The union entered into the following transactions with 71 Elphin Road Pty Ltd of which Timothy Jacobson and Christopher Webb are the sole directors and shareholders. These committee members are involved in this company for the benefit of the union and its members.

	2015	2014
	\$	\$
Management fees are received from 71 Elphin Road Pty Ltd for management of rental properties.	33,298	20,455
Expenses of these properties are offset against income of those properties.	40,743	11,686

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

12. Related Party Disclosures (cont.)

(b) Key management personnel remuneration for the reporting period

	Timothy Jacobson	Robert Moore	Judy Richmond	Christopher Webb	Total
2015 Financial Year					
Short-term employee benefits:					
Salary (including leave entitlements taken)	119,894	93,203	-	2,804	215,901
Annual leave accrued	(935)	7,059	-	213	6,337
Performance bonus	-	-	-	-	-
Other employee expenses	595	-	600	600	1,795
Total short-term employee benefits	119,555	100,262	600	3,616	224,033
Post-employment benefits:					
Superannuation	27,238	21,219	-	56	48,514
Total post-employment benefits	27,238	21,219	-	56	48,514
Other long-term benefits:					
Long service leave	3,244	2,841	-	69	6,154
Total other long-term benefits	3,244	2,841	-	69	6,154
Termination benefits					
Total benefits	150,036	124,322	600	3,742	278,701
Non-cash benefits					
Private use of motor vehicle	8,148	1,737	-	-	9,885
Total non-cash benefits	8,148	1,737	-	-	9,885

12. Related Party Disclosures (cont.)

(b) Key management personnel remuneration for the reporting period (cont.)

	Christopher Brown	Timothy Jacobson	Robert Moore	Judy Richmond	Total
2014 Financial Year					
Short-term employee benefits:					
Salary (including leave entitlements taken)	143,535	109,805	36,579	-	289,919
Annual leave accrued	(56,421)	9,379	4,319	-	(42,723)
Performance bonus	-	-	-	-	-
Other employee expenses	1,026	545	2,082	2,545	6,198
Total short-term employee benefits	88,140	119,729	42,980	2,545	253,394
Post-employment benefits:					
Superannuation	19,758	24,921	8,415	-	53,094
Total post-employment benefits	19,758	24,921	8,415	-	53,094
Other long-term benefits:					
Long service leave	(16,117)	3,415	1,019	-	(11,683)
Total other long-term benefits	(16,117)	3,415	1,019	-	(11,683)
Termination benefits					
Total benefits	214,221	148,066	52,414	2,545	417,246
Non-cash benefits					
Private use of motor vehicle	4,793	8,216	3,423	-	16,432
Total non-cash benefits	4,793	8,216	3,423	-	16,432

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

	2015	2014
	\$	\$
12. Related Party Disclosures (cont.)		
(c) Transactions with key management personnel and their close family members		
Loans to/(from) key management personnel	-	-
<p>The wife of Timothy Jacobson, Tammy Munro, is employed by the Health Services Union Tasmania Branch as a Lead Organiser. Timothy Jacobson was not involved in the employment of Tammy Munro.</p>		
Remuneration of close family members of key management personnel		
Tammy Munro		
Salary (including leave entitlements taken)	93,195	88,899
Superannuation	14,296	13,417
Total employee benefits	107,491	102,316
<p>Amounts are included within the totals for 'Employees other than office holders' in Note 4(a)</p>		
13. Auditor remuneration		
Value of the services provided		
Financial statement audit services	13,000	13,000
Other services	200	1,415
Total remuneration of auditors	13,200	14,415

14. Section 272 Fair Work (Registered Organisations) Act 2009

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

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

- (1) A member or reporting unit, or the general manager of Fair Work Australia, may apply to the Health Services Union Tasmania Branch for specified prescribed information in relation to the Health Services Union Tasmania Branch 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 Health Services Union Tasmania Branch.
- (3) Health Services Union Tasmania Branch must comply with an application made under subsection (1).

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

15. Financial instruments

The union's financial instruments consist entirely of deposits with banks, receivables and payables. The totals for each category of financial instruments, as detailed in the accounting policies to these financial statements, are as follows:

	2015	2014
	\$	\$
Financial assets		
Cash and cash equivalents	1,128,688	853,364
Accounts receivable and other debtors	1,497	3,597
Total financial assets	1,130,185	856,961
 Financial liabilities		
Accounts payable and other payables	125,489	143,523
Total financial liabilities	125,489	143,523

Financial risk management policies

The committee is responsible for, among other issues, monitoring and managing financial risk exposures of the union branch. The committee monitors the union's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the committee of management.

The committee's overall risk management strategy seeks to ensure that the union branch meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific financial risk exposures and management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the union is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) 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 a financial loss to the union.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk expos

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

There is no collateral held by the association securing accounts receivable and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality.

The association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

15. Financial instruments (cont.)

(b) Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid dues.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold directly any derivative financial liabilities.

	Within 1 Year	1 to 5 Years	Over 5 Years	Total
Financial liability due for payment				
Trade and other payable (excluding annual leave)	125,489	-	-	125,489
Total contractual outflows	125,489	-	-	125,489
Total expected outflows	125,489	-	-	125,489
Financial assets - cash flows realisable				
Cash on hand	1,128,688	-	-	1,128,688
Accounts receivable and other debtors	1,497	-	-	1,497
Total anticipated inflows	1,130,185	-	-	1,130,185
Net (outflow)/inflow on financial instruments	1,004,696	-	-	1,004,696

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

(c) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The union has very little exposure to Market Risks; all financial assets and liabilities are expected to be settled at their disclosed values within the next 12 months.

Fair value estimates

All financial assets and financial liabilities as presented in the statement of financial position at their fair value.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2015**

16. Fair Value Measurements

The union measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land & buildings

The union does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis

(a) Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

Level 1	Level 2	Level 3
Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.	Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.	Measurements based on unobservable inputs for the asset or liability.

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The association selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- Market approach: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- Income approach: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- Cost approach: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered

The following tables provide the fair values of the association's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
2015				
Recurring fair value measurements				
Land & buildings	-	2,226,971	-	2,226,971
Total assets recognised at fair value	-	2,226,971	-	2,226,971
2014				
Recurring fair value measurements				
Land & buildings	-	2,226,971	-	2,226,971
Total assets recognised at fair value	-	2,226,971	-	2,226,971

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2014: no transfers)

(b) Disclosed fair value measurements

There has been no changes in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.



INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HEALTH SERVICES UNION (TASMANIA BRANCH)

Report on the Financial Report

We have audited the accompanying financial report of Health Services Union (Tasmania Branch), which comprises the statement of financial position as at 30 June 2015, the statement of comprehensive income, statement of changes in equity, statement of cash flows and recovery of wages activity for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, Operating statement and Committee of Management statement.

Committee's Responsibility for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as management determines is necessary to enable the preparation and fair presentation 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 about 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 judgement, 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 entity's preparation and fair presentation 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 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.

Opinion

In our opinion the financial report, which has been appropriately prepared using the Going Concern basis of accounting presents fairly, in all material respects, the financial position of Health Services Union (Tasmania Branch) as at 30 June 2015, and (of) its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Report on Other Legal and Regulatory Requirements

Our audit encompassed the audit of wages recovery activity of the Health Services Union (Tasmania Branch) for the year ended 30 June 2015 and in our opinion the general purpose financial report on the recovery of wages activity presents fairly in accordance with the requirements of the Industrial Registrar.

GREGORY HARPER

Registered Company Auditor
ASIC Registration #: 337294

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Dated: 1st September 2015

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