



27 January 2017

Mr Chris Brown
National Secretary
Health Services Union
Suite 408, 454 Collins Street
MELBOURNE VIC 3000

via email: chrisb@hsu.net.au

Dear Mr Brown

Health Services Union Financial Report for the year ended 30 June 2016 - [FR2016/152]

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the Health Services Union (**the reporting unit**). The documents were lodged with the Fair Work Commission (**FWC**) on 21 December 2016.

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

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 2017 may be subject to an advanced compliance review.

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](#).

Should you wish to discuss this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely

Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch

21 December 2016

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 2016

Please find attached the Designated Officers Certificate and the Financial Statements for the Health Services Union for year ended 30 June 2016.

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 30 June 2016

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 2016 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 14 November 2016; and
- that the full report was presented to a meeting of the committee of management (National Executive) of the reporting unit on 16 December 2016 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: 21 December 2016



FINANCIAL STATEMENTS 2015–16

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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 Office which comprises the statement of financial position as at 30 June 2016, 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 national executive statement.

Responsibility of the National Executive for the financial report

The National Executive 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 national executive 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 National Executive, as well as evaluating the overall presentation of the financial report.

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

Independence

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

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

Auditor's Opinion

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

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

- (i) giving a true and fair view of the entity's financial position as at 30 June 2016 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

G Webb

Graham Webb (CA)
Partner

4 November 2016

Health Services Union National Office

OPERATING REPORT

for the period ended 30 June 2016

The National Executive presents its report on the reporting unit for the financial year ended 30 June 2016.

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

The principle activity of the organisation during the year was that of a registered trade union. No significant change occurred in the nature of those activities during the year.

Significant changes in financial affairs

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

Significant Change	Nature of Change
<i>Revenue from Capitation fees from branches increased by 7%</i>	<i>Capitation fees payable per member have increased during the year as have the number of members of the Union.</i>
<i>Other Revenue decreased by 42%</i>	<i>Other income in the previous financial year included one off payments following the dissolution of the Tasmania No.2 Branch and funds received from Branches as a contribution to the Continuing Professional Development Project (CPD).</i>
<i>Employee Expenses decreased 18%</i>	<i>The number of employees of the National Office decreased to 3 during the year.</i>
<i>Legal costs decreased by 71%</i>	<i>Legal costs decreased significantly during the year due to the finalisation of litigation to recover union funds from individuals.</i>
<i>Other Expenses decreased by 19%</i>	<i>Other expenses were down as a result of the one off cost of the implementation of the CPD project in the previous financial year.</i>
<i>Surplus</i>	<i>The union posted a surplus for the year of \$537,739 compared to a deficit of \$153,038 in the previous financial year.</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

Officer/Member	Trustee Company	Entity/Scheme	Period from / to
Lloyd Williams	H.E.S.T Australia Limited	HESTA Superfund	1/7/2015 to 30/6/2016
Rosemary Kelly	First State Superannuation Trustee Corporation	FSS Super	1/7/2015 to 30/6/2016

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 74,553 (2015: 71,648)

<i>New South Wales Branch</i>	<i>32,707</i>
<i>South Australian Branch</i>	<i>1,138</i>
<i>Tasmania Branch</i>	<i>7,603</i>
<i>Victoria No. 1 Branch</i>	<i>12,632</i>
<i>Victoria No. 2 Branch</i>	<i>7,674</i>
<i>Victoria No. 3 Branch</i>	<i>4,272</i>
<i>Victoria No. 4 Branch</i>	<i>2,545</i>
<i>Western Australia Branch</i>	<i>5,894</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 3.00 (2015: 4.00)

Names of National Executive members and period positions held during the financial year

<i>Lloyd Williams</i>	<i>National President</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Dan Hill</i>	<i>National Senior Vice President</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Mark Sterrey</i>	<i>National Junior Vice President</i>	<i>23 Dec 2015 to 30 Jun 2016</i>
<i>Chris Brown</i>	<i>National Secretary</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Gerard Hayes</i>	<i>National Assistant Secretary</i> <i>National Executive Member</i>	<i>1 Jul 2015 to 18 Sep 2015</i> <i>18 Sep 2015 to 30 Jun 2016</i>
<i>Paul Elliott</i>	<i>National Trustee</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Tim Jacobson</i>	<i>National Junior Vice President</i> <i>National Assistant Secretary</i>	<i>1 July 2015 to 21 Sep 2015</i> <i>23 Dec 2015 to 30 Jun 2016</i>
<i>Craig McGregor</i>	<i>National Trustee</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Rosemary Kelly</i>	<i>National Executive Member</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Chris Panizza</i>	<i>National Executive Member</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Jorge Navas</i>	<i>National Executive Member</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Paul Healey</i>	<i>National Executive Member</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Diana Asmar</i>	<i>National Executive Member</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Andrew Lillicrap</i>	<i>National Executive Member</i>	<i>1 Jul 2015 to 18 Sep 2015</i>
<i>Andrew Hewat</i>	<i>National Executive Member</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Jonathan Milman</i>	<i>National Executive Member</i>	<i>1 Jul 2015 to 30 Jun 2016</i>
<i>Robbie Moore</i>	<i>National Executive Member</i>	<i>1 Jul 2015 to 30 Jun 2016</i>

Signature of designated officer:



Name and title of designated officer: Chris Brown, National Secretary

Dated: 4th November 2016

Health Services Union National Office

NATIONAL EXECUTIVE STATEMENT

for the period ended 30 June 2016

On the 4 November 2016 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 2016:

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 National Executive were held in accordance with the rules of the organisation including the rules of the National Office 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 National Office have been kept and maintained in accordance with the RO Act; and
 - (iv) the financial records of the National Office have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) no 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) no 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) During the financial year ended 30 June 2016, the National Executive did not participate in any recovery of wages.

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

Signature of designated officer: .

A handwritten signature in black ink, appearing to be 'CB', written in a cursive style.

Name and title of designated officer: Chris Brown
 National Secretary

Dated: 4th November 2016

Health Services Union National Office
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the period ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue			
Membership subscription		-	-
Capitation fees	3A	1,671,592	1,560,561
Levies	3B	-	-
Interest	3C	14,945	21,936
Other revenue	3D	179,000	309,472
Total revenue		<u>1,865,538</u>	<u>1,891,969</u>
Other Income			
Grants and/or donations	3E	-	-
Total other income		<u>-</u>	<u>-</u>
Total income		<u>1,865,538</u>	<u>1,891,969</u>
Expenses			
Employee expenses	4A	(536,554)	(654,107)
Capitation fees	4B	-	-
Affiliation fees	4C	(118,321)	(600)
Administration expenses	4D	(151,730)	(216,385)
Grants or donations	4E	-	-
Depreciation and amortisation	4F	(23,482)	(10,384)
Finance costs	4G	(3,265)	(610)
Legal costs	4H	(207,232)	(720,999)
Audit fees	12	(16,027)	(18,791)
Other expenses	4I	(271,187)	(423,131)
Total expenses		<u>(1,327,799)</u>	<u>(2,045,007)</u>
Profit/(Loss) for the year		<u>537,739</u>	<u>(153,038)</u>
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		<u>537,739</u>	<u>(153,038)</u>

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

Health Services Union National Office
STATEMENT OF FINANCIAL POSITION
as at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,217,218	621,417
Trade and other receivables	5B	237,101	79,785
Total current assets		<u>1,454,319</u>	<u>701,202</u>
Non-Current Assets			
Leasehold Improvements	6A	26,176	31,820
Plant and equipment	6B	27,765	29,884
Total non-current assets		<u>53,941</u>	<u>61,704</u>
Total assets		<u><u>1,508,260</u></u>	<u><u>762,906</u></u>
LIABILITIES			
Current Liabilities			
Trade payables	7A	75,524	379,774
Other payables	7B	625,284	15,276
Borrowings	7C	-	100,000
Employee provisions	8A	125,260	95,719
Total current liabilities		<u>791,442</u>	<u>590,769</u>
Non-Current Liabilities			
Employee provisions	8A	-	27,684
Total non-current liabilities		<u>-</u>	<u>27,684</u>
Total liabilities		<u><u>826,068</u></u>	<u><u>618,453</u></u>
Net assets		<u><u>682,192</u></u>	<u><u>144,453</u></u>
EQUITY			
Retained earnings		<u>682,192</u>	<u>144,453</u>
Total equity		<u><u>682,192</u></u>	<u><u>144,453</u></u>

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 2016

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 July 2014		297,491	297,491
Loss for the year		(153,038)	(153,038)
Closing balance as at 30 June 2015		144,453	144,453
Profit for the year		537,739	537,739
Closing balance as at 30 June 2016		682,192	682,192

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 2016

	Notes	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Capitation fees	9B	1,671,592	1,560,561
Interest		14,945	22,999
Other Income		179,000	229,772
Cash used			
Payments to employees & suppliers		(1,108,992)	(2,443,61)
Payments other reporting units/controlled entity(s)	9B	(42,527)	(49,924)
Interest		(2,500)	(610)
Net cash (used by)/ from operating activities	9A	<u>711,518</u>	<u>(680,821)</u>
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment		(15,717)	(4,630)
Net cash from /(used by) investing activities		<u>(15,717)</u>	<u>(4,630)</u>
Financing Activities			
Cash received			
Repayment of borrowings		(100,000)	-
Proceeds from borrowings		-	100,000
Net cash (used by)/ from investing activities		<u>(100,000)</u>	<u>100,000</u>
Net increase/(decrease) in cash held		<u>595,810</u>	<u>(585,451)</u>
Cash & cash equivalents at the beginning of the reporting period		621,417	1,206,868
Cash & cash equivalents at the end of the reporting period	5A	<u>1,217,218</u>	<u>621,417</u>

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 2016

	2016	2015
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages <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 2016

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 2016

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 2018).

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.

-AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard include:

-recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);

-depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;

-variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;

-by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and

-additional disclosure requirements.

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108 or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the directors anticipate that the adoption of AASB 16 will impact the Group's financial statements, it is impracticable at this stage to provide a reasonable estimate of such impact.

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

Notes of the Financial Statements for the years ended 30 June 2016

Note 1 Summary of significant accounting policies

1.5 Revenue (cont'd)

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.

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. Health Services Union National Office 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.

Notes of the Financial Statements for the years ended 30 June 2016

Note 1 Summary of significant accounting policies

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.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when Health Services 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.

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

Notes of the Financial Statements for the years ended 30 June 2016

Note 1 Summary of significant accounting policies

Fair value through profit or loss (cont'd)

- it is a derivative that is not designated and effective as a hedging instrument.

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

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

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

Held-to-maturity investments

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

Available-for-sale

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

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

Notes of the Financial Statements for the years ended 30 June 2016

Note 1 Summary of significant accounting policies

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be

impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

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

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

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

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

Notes of the Financial Statements for the years ended 30 June 2016

Note 1 Summary of significant accounting policies

Impairment of financial assets(cont'd)

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

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

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

Derecognition of financial assets

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

1.14 Financial Liabilities

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

Notes of the Financial Statements for the years ended 30 June 2016

Note 1 Summary of significant accounting policies

Fair value through profit or loss (cont'd)

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

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

Other financial liabilities

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

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

Derecognition of financial liabilities

Health Services Union National Office 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.

Notes of the Financial Statements for the years ended 30 June 2016

Note 1 Summary of significant accounting policies

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

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:

	2016	2015
Leasehold Improvements	3 years	3 years
Plant and equipment	2.5 to 7.5 years	2.5 to 7.5 years

Derecognition

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

1.17 Impairment for non-financial assets

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

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

1.18 Non-current assets held for sale

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

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

Notes of the Financial Statements for the years ended 30 June 2016

Note 1 Summary of significant accounting policies

1.19 Taxation

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

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

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

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

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

1.20 Going concern

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

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

Note 2 Events after the reporting period

On 9 August 2016 the Delegate of the General Manager of the Fair Work Commission issued a Decision which certified changes to the registered rules of the Health Services Union. The rule changes certified removed the Queensland Branch of the Health Services Union from the rules of the Union and transferred the coverage of persons eligible to be members of the Union to the NSW Branch of the Health Services Union.

Note 3 Income

Note 3A: Capitation fees

	2016	2015
	\$	\$
New South Wales	742,755	703,153
South Australia	22,733	20,308
Tasmania No. 1 Branch	176,835	175,279
Victoria No. 1 Branch	280,250	228,899
Victoria No. 2 Branch	171,439	164,864
Victoria No. 3 Branch	85,848	78,765
Victoria No. 4 Branch	55,130	58,683
Western Australia	136,602	130,610
Total capitation fees	<u>1,671,592</u>	<u>1,560,561</u>

Notes of the Financial Statements for the years ended 30 June 2016

Note 3 Income**Note 3B: Levies**

	2016	2015
	\$	\$
Levies	-	-
Total levies	<u>-</u>	<u>-</u>

Note 3C: Interest

Deposits	14,945	21,936
Total interest	<u>14,945</u>	<u>21,936</u>

Note 3D: Other Revenue

Miscellaneous revenue from other branches	58,746	271,615
Affiliation revenue from other branches	102,330	-
Other revenue	17,924	37,857
Total Other Revenue	<u>179,000</u>	<u>309,472</u>

Note 3E: Grants or donations

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

Note 4 Expenses**Note 4A: Employee expenses****Holders of office:**

Wages and salaries	173,957	166,834
Superannuation	21,924	17,197
Leave and other entitlements	13,434	8,861
Separation and redundancies	-	-
Other employee expenses	-	-

Subtotal employee expenses holders of office

	<u>209,315</u>	<u>192,892</u>
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Employees other than office holders:

Wages and salaries	245,101	341,350
Superannuation	42,271	39,558
Leave and other entitlements	39,817	70,975
Separation and redundancies	-	-
Other employee expenses	50	9,332

Subtotal employee expenses employees other than office holders

	<u>327,239</u>	<u>461,215</u>
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Total employee expenses

	<u>536,554</u>	<u>654,107</u>
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Notes of the Financial Statements for the years ended 30 June 2016

Note 4 Expenses

Note 4B: Capitation fees

	2016	2015
	\$	\$
Capitation Fees	-	-
Total capitation fees	-	-

Note 4C: Affiliation fees

ACTU Affiliation Fees	101,973	-
Union Aid Abroad Affiliation Fees	16,348	600
Total affiliation fees/subscriptions	118,321	600

Note 4D: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	3,131	8,431
Staff & Visitor Amenities	308	1,059
Computer Expenses	3,546	10,734
Sponsorship	1,500	-
Electricity	876	3,644
Office Relocation	8,728	1,500
Promotional	584	212
Insurance	3,964	3,207
Campaign Expenses	46	4,850
Sundry Expenses	29,725	17,584
Staff Training	-	-
National Industrial Expenses	181	-
National Office Other	5,742	-
Office Expenses	41,319	45,695
Contractors/consultants	2,790	55,158
Information communications technology	400	-
Subtotal administration expense	102,840	152,074
Operating lease rentals:		
Minimum lease payments	48,890	64,310
Total administration expenses	151,730	216,384

Notes of the Financial Statements for the years ended 30 June 2016

Note 4 Expenses (cont'd)**Note 4E: Grants or donations**

	2016	2015
	\$	\$
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	<u>-</u>	<u>-</u>

Note 4F: Depreciation and amortisation

Depreciation		
Leasehold Improvements	6,888	4,608
Property, plant and equipment	16,595	5,776
Total depreciation	<u>23,483</u>	<u>10,384</u>

Note 4G: Finance costs

Interest Expense	3,265	610
Total finance costs	<u>3,265</u>	<u>610</u>

Note 4H: Legal Costs

Litigation	197,693	655,789
Industrial legal	1,668	27,704
Other legal matters	7,871	37,506
Total finance costs	<u>207,232</u>	<u>720,999</u>

Note 4I: Other expenses

Penalties - via RO Act or RO Regulations	-	-
Advertising	399	8
Fringe benefits tax	-	6,908
Workcover	6,522	4,560
Travel and accommodation	241,425	217,878
CPD Implementation expense	22,841	193,777
Total other expenses	<u>271,187</u>	<u>423,131</u>

Notes of the Financial Statements for the years ended 30 June 2016

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

	2016	2015
	\$	\$
Cash at bank	1,157,218	561,417
Term deposits	60,000	60,000
Total cash and cash equivalents	<u>1,217,218</u>	<u>621,417</u>

Note 5B: Trade and Other Receivables

Receivables from other reporting units

New South Wales Branch	-	938
South Australia Branch	-	779
Victoria No. 1 Branch	45,177	48,029
Victoria No. 2 Branch	59,820	1,330
Victoria No. 3 Branch	-	1,173
Victoria No. 4 Branch	19,807	-
Tasmania Branch	61,703	-
Queensland Branch	2,842	-
Western Australia Branch	47,752	29
Total receivables from other reporting units	<u>237,101</u>	<u>52,278</u>

Less provision for doubtful debts

Total provision for doubtful debts

Receivable from other reporting units (net)

-	-
-	-
<u>237,105</u>	<u>52,278</u>

Other receivables:

GST receivable from the Australian Taxation Office	-	27,150
Other trade receivables	-	357
Total other receivables	<u>-</u>	<u>27,507</u>
Total trade and other receivables (net)	<u>-</u>	<u>79,785</u>

Note 6 Non-current Assets

Note 6A: Leasehold Improvements

Leasehold Improvements:

At cost	61,109	61,109
accumulated depreciation	(34,933)	(29,289)
Total leasehold improvements	<u>26,176</u>	<u>31,820</u>

Notes of the Financial Statements for the years ended 30 June 2016

Note 6 Non-current Assets (cont'd)

Note 6B: Plant and equipment

	2016	2015
	\$	\$
Plant and equipment:		
at cost	187,264	179,153
accumulated depreciation	(159,499)	(149,269)
Total plant and equipment	<u>27,765</u>	<u>29,884</u>

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	67,668	374,929
Subtotal trade creditors	<u>67,668</u>	<u>374,929</u>

Payables to other reporting unit[s]

HSU NSW Branch	5,000	-
Australian Nursing Federation	750	-
Tasmania No. 1 Branch	679	-
HSU VIC No.2	1,427	-
Victoria No. 4 Branch	-	4,845
Subtotal payables to other reporting unit[s]	<u>7,856</u>	<u>4,845</u>

Total trade payables	<u>75,524</u>	<u>379,774</u>
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Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	10,410
Superannuation	-	4,866
Consideration to employers for payroll deductions	26,125	-
Legal costs	-	-
GST payable	68,473	-
Deferred Income	530,675	-
Other	11	-
Total other payables	<u>625,284</u>	<u>15,276</u>

Total other payables are expected to be settled in:

No more than 12 months	625,284	15,276
Total other payables	<u>625,284</u>	<u>15,276</u>

Notes of the Financial Statements for the years ended 30 June 2016

Note 7 Current Liabilities (cont'd)

Note 7C: Borrowings

	2016	2015
	\$	\$
Loan from New South Wales Branch	-	100,000
Total Borrowings	-	100,000

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. On 13 June 2016 Health Services Union National office repaid the loan amount of \$100,000 together with interest of \$2,500.

Note 8 Provisions

Note 8A: Employee Provisions

Office Holders:

Annual leave and RDO	30,776	20,704
Long service leave	37,380	30,680
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions—office holders

68,156	51,384
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Employees other than office holders:

Annual leave and RDO	29,177	44,335
Long service leave	27,927	27,684
Separations and redundancies	-	-
Other	-	-

Subtotal employee provisions—employees other than office holders

57,104	72,019
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Total employee provisions

125,260	123,403
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Current	125,260	95,719
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Non Current	-	27,684
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Total employee provisions	125,260	123,403
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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	1,217,218	621,417
Balance sheet	1,217,218	621,417
Difference	-	-

Notes of the Financial Statements for the years ended 30 June 2016

Note 9A: Cash Flow Reconciliation (cont'd)

	2016 \$	2015 \$
Reconciliation of surplus/(deficit) to net cash from operating activities:		
Surplus/(Deficit) for the year	537,739	(153,038)
Adjustments for non-cash items		
Depreciation	23,482	10,384
Changes in assets/liabilities		
(Increase)/decrease in trade and other receivables	(157,318)	(78,637)
Increase/(Decrease) in trade and other payables	305,757	(468,302)
Increase in employee provisions	1,858	8,772
Net cash from (used by) operating activities	<u>711,518</u>	<u>(680,821)</u>

Note 9B: Cash flow information

Cash inflows

New South Wales Branch	742,755	703,163
South Australia Branch	22,733	20,308
Tasmania No. 1 Branch	176,835	175,279
Tasmania No. 2 Branch	-	-
Victoria No. 1 Branch	280,250	228,889
Victoria No. 2 Branch	171,439	164,864
Victoria No. 3 Branch	85,848	78,765
Victoria No. 4 Branch	55,130	58,683
Western Australia Branch	136,602	130,610
Total cash inflows	<u>1,671,592</u>	<u>1,560,561</u>

Cash outflows

Australian Nursing Federation	2,270	3,183
New South Wales Branch	4,545	19,349
South Australia Branch	-	665
Tasmania No. 1 Branch	12,581	10,435
Victoria No.1 Branch	2,063	
Victoria No. 2 Branch	12,223	5,348
Victoria No. 3 Branch	2,867	3,479
Victoria No. 4 Branch	4,022	2,892
Western Australia Branch	1,956	4,573
Total cash outflows	<u>42,527</u>	<u>49,924</u>

Notes of the Financial Statements for the years ended 30 June 2016

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:

	2016	2015
	\$	\$
Within one year	34,776	11,338
After one year but not more than five years	-	-
More than five years	-	-
	<u>34,776</u>	<u>11,338</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 \$102,500 was paid to the New South Wales Branch during the year as repayment in full with interest of a loan provided by the New South Wales Branch to the National Union. 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 2016, the Health Services Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

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

Short-term employee benefits

Salary (including annual leave taken)	187,391	175,695
Annual leave accrued	-	-
Performance bonus	-	-
Total short-term employee benefits	<u>187,391</u>	<u>175,695</u>

Notes of the Financial Statements for the years ended 30 June 2016

Note 11B: Key Management Personnel Remuneration for the Reporting Period (cont'd)

	2016	2015
	\$	\$
Post-employment benefits:		
Superannuation	21,924	17,197
Total post-employment benefits	<u>21,924</u>	<u>17,197</u>
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	-	-
Total	<u>-</u>	<u>-</u>

Note 12 Remuneration of Auditors

Value of the services provided

Auditing the financial statements	12,500	11,250
Financial statement audit services	3,500	-
Other accounting services – previous matters	27	7,541
Total remuneration of auditors	<u>16,027</u>	<u>18,791</u>

Note 13 Financial instruments

Credit Risk

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

Credit risk is managed through maintaining procedures (such as the utilisation of systems for approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability 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.

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.

Notes of the Financial Statements for the years ended 30 June 2016

Note 13 Financial instruments (cont'd)

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

	2016	2015
	\$	\$
Loans and receivables:		
Trade and other receivables	237,105	79,785
Total	<u>237,105</u>	<u>79,785</u>
Carrying amount of financial assets	<u>237,107</u>	<u>79,785</u>

Financial liabilities

Other financial liabilities:		
Borrowings	-	100,000
Trade and other payables	700,808	400,417
Total	<u>700,808</u>	<u>500,417</u>
Carrying amount of financial liabilities	<u>700,808</u>	<u>500,417</u>

Note 13B: Net income and expense from financial assets

	Carrying amount 2016 \$	Fair Value 2016 \$	Carrying amount 2015 \$	Fair Value 2015 \$
Financial Assets				
Loans and receivables	237,105	237,105	79,785	79,785
Total	<u>237,105</u>	<u>237,105</u>	<u>79,785</u>	<u>79,785</u>
Financial Liabilities				
Borrowings	-	-	100,000	100,000
Trade and other payables	700,808	700,808	400,417	400,417
Total	<u>700,808</u>	<u>700,808</u>	<u>500,417</u>	<u>500,417</u>

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.

Notes of the Financial Statements for the years ended 30 June 2016

Note 13C: Credit risk (cont'd)

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

	2016 \$	2015 \$
Financial assets		
Loans and receivables	237,105	79,785
Total	<u>237,105</u>	<u>79,785</u>
Financial liabilities		
Borrowings	-	100,000
Trade and other payables	700,808	400,417
Total	<u>700,808</u>	<u>500,417</u>

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 2016 \$	Past due or impaired 2016 \$	Not Past Due Nor Impaired 2015 \$	Past due or impaired 2015 \$
Loans and receivables	237,105		79,785	
Total	237,015		79,785	

Ageing of financial assets that were past due but not impaired for 2016

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

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

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.

Notes of the Financial Statements for the years ended 30 June 2016

Note 13D: Liquidity risk (cont'd)

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	700,808	-	-	-	700,808
Borrowings		-				-
Total	-	700,808	-	-	-	700,808

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
Total	-	500,417	-	-	-	500,417

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 85 Disclosure of Remuneration and Non-Cash Benefits by Officers - financial year ending 30 June 2016

Mr Dan Hill, WA Branch Secretary and National Senior Vice President – Nominated by the HSU National Executive - Director, Community Services and Health Industry Skills Council (CSHISC) – Directors Fees \$10,562 GST inclusive (2015: \$6,119) and paid to the HSU of WA
Mr Dan Hill, WA Branch Secretary and National Senior Vice President – suggested by UnionsWA (peak body) – Member State Training Board – Sitting Fees \$14,320 GST inclusive (2015: \$13,981) and paid to UnionsWA
Dr Rosemary Kelly, Victoria No.4 Branch Assistant Secretary and Member of HSU National Executive – Director, First State Super Trustee Corporation – Directors Fees \$97,879 – Paid to the Medical Scientists Association of Victoria
Dr Rosemary Kelly, Victoria No.4 Branch Assistant Secretary and Member of HSU National Executive – Director, First State Super Trustee Corporation – Superannuation on Directors Fees \$9,299 – Paid into Ms Ms Kelly’s HESTA Superannuation Fund
Mr Lloyd Williams, Victoria No.2 Branch Secretary and HSU National President – Director, H.E.S.T. Australia Ltd –Directors Fees \$52,427 – Paid to the HSU Victoria No.2 Branch
Mr Lloyd Williams, Victoria No.2 Branch Secretary and HSU National President – Director, H.E.S.T. Australia Ltd – Superannuation on Directors Fees \$4,982 – Paid into Mr Williams’ HESTA Superannuation Fund
Mr Lloyd Williams, Victoria No.2 Branch Secretary and HSU National President – Director, HESTA/IFM –Directors Fees \$16,039 – Paid to the HSU Victoria No.2 Branch
Mr Lloyd Williams, Victoria No.2 Branch Secretary and HSU National President – Director, HESTA/IFM – Superannuation on Directors Fees \$1,385 – Paid into Mr Williams’ HESTA Superannuation Fund

Rule 86 Remuneration paid to the highest paid officers - financial year ending 30 June 2016

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
National Union	National Secretary Member National Executive National Councillor	Chris Brown	Wages	Payment	\$187,391	Health Services Union
			Superannuation (Do not include any employee contributions)	Payment	\$21,924	Health Services Union

In the HSU Financial Statements for the 2014-2015 financial year there was an administrative error which understated the remuneration of the National Secretary. The correct figure for wages should have been \$180,627.

South Australia/ Northern Territory Branch	Branch Secretary Member National Executive National Councillor	Jorge Navas	Wages	Payment	\$99,669	SA/NT Branch
			Superannuation (Do not include any employee contributions)	Payment	\$9,469	SA/NT Branch
			Private use of motor vehicle	Non cash payment	\$3,185	SA/NT Branch

Western Australia	Branch Secretary Senior National Vice President Member National Executive National Councillor	Dan Hill	Wages	Payment	\$143,056	Health Services Union of WA (Union of Workers)
			Superannuation (Do not include any employee contributions)	Payment	\$25,045	Health Services Union of WA (Union of Workers)
			Salary Packaging Superannuation	Payment	\$10,260	Health Services Union of WA (Union of workers)
			Private use of Motor Vehicle	Non cash payment	\$18,368	Health Services Union of WA

						(Union of Workers)
Western Australia	Assistant Secretary Member National Executive National Councillor	Chris Panizza	Wages	Payment	\$115,914	Health Services Union of WA (Union of Workers)
			Superannuation	Payment	\$16,200	Health Services Union of WA (Union of Workers)
			Salary Packaging Superannuation	Payment	\$16,200	Health Services Union of WA (Union of Workers)
			Private use of motor vehicle	Non cash payment	\$11,871	Health Services Union of WA (Union of Workers)

Tasmania Branch	Branch President National Councillor	Judy Richmond	Honorarium	Payment	\$4,000	Tasmania Branch
Tasmania Branch	Branch Junior Vice President National Councillor	Chris Webb	Wages	Payment	\$5,274	Tasmania Branch
			Superannuation	Payment	\$120	Tasmania Branch
Tasmania Branch	Branch Secretary Junior Vice President Member National Executive National Councillor	Tim Jacobson	Wages	Payment	\$146,826	Tasmania Branch
			Superannuation	Payment	\$22,056	Tasmania Branch
			Private use of motor vehicle	Non cash payment	\$12,322	Tasmania Branch
Tasmania Branch	Branch Assistant Secretary	Robbie Moore	Wages	Payment	\$108,718	Tasmania Branch
			Superannuation	Payment	\$16,738	Tasmania Branch

	Member National Executive National Councillor		Private use of motor vehicle	Non cash payment	\$13,046	Tasmania Branch
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Victoria No.1 Branch	Branch Secretary Member National Executive National Councillor	Diana Asmar	Wages	Payment	\$158,733	Victoria No.1 Branch
			Superannuation	Payment	\$14,941	Victoria No.1 Branch
			Private use of motor vehicle	Non cash payment	\$13,072	Victoria No.1 Branch
Victoria No.1 Branch	Branch Assistant Secretary National Councillor	David Eden	Wages	Payment	\$121,288	Victoria No.1 Branch
			Superannuation	Payment	\$11,338	Victoria No.1 Branch

Victoria No 2 Branch	Branch President National Councillor	Debbie Gunn	Honorarium	Payment	\$2,000	Victoria No.2 Branch
			Superannuation on Honorarium	Payment	\$190	Victoria No.2 Branch
Victoria No 2 Branch	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	\$6,367	HESTA/IMF
			Wages	Payment	\$143,583	Victoria No.2 Branch
			Superannuation	Payment	\$21,827	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non Cash Payment	\$4,556	Victoria No.2 Branch
Victoria No 2 Branch	Branch Assistant Secretary	Paul Healey	Wages	Payment	\$126,089	Victoria No.2 Branch

	Member National Executive National Councillor		Superannuation (Do not include any employee contributions)	Payment	\$17,328	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non Cash Payment	\$3,619	Victoria No.2 Branch

Victoria No 3 Branch	Branch Secretary National Trustee Member National Executive Branch Councillor	Craig McGregor	Wages	Payment	\$130,917	Victoria No.3 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$12,236	Victoria No. 3 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non cash payment	\$4,729	Victoria No.3 Branch
Victoria No 3 Branch	Branch Assistant Secretary Member National Executive National Councillor	Andrew Hewat	Wages	Payment	\$73,261	Victoria No.3 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$6,891	Victoria No.3 Branch

Victoria No 4 Branch	Branch Assistant 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	\$9,299	First State Super Trustee Corporation
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New South Wales	Branch Secretary National Assistant Secretary Member National Executive National Councillor	Gerard Hayes	Wages	Payment	\$118,930	Health Service Union NSW (State Registered)
			Superannuation	Payment	\$13,632	Health Service Union NSW (State Registered)
			Reportable Fringe Benefits	Grossed up reportable	\$31,177	Health Service Union NSW

						(State Registered)
			Private use of motor vehicle	Non cash benefit	\$2,465	Health Service Union NSW (State Registered)
New South Wales	Branch Assistant Secretary/Treasurer National Councillor	Andrew Lillicrap	Wages	Payment	\$113,372	Health Service Union NSW (State Registered)
			Superannuation	Payment	\$14,132	Health Service Union NSW (State Registered)
			Reportable Fringe Benefits	Grossed up reportable	\$31,177	Health Service Union NSW (State Registered)
			Private use of motor vehicle	Non cash benefit	\$4,903	Health Service Union NSW (State Registered)
New South Wales	Branch President National Junior Vice President Member of National Executive National Councillor	Mark Sterrey	Honorarium	Payment	\$4,000	Health Service Union NSW (State Registered)
New South Wales	Branch Senior Vice President National Councillor	Leanne Burns	Honorarium	Payment	\$1,000	Health Service Union NSW (State Registered)
New South Wales	Branch Junior Vice President National Councillor	Lindy Twyford	Honorarium	Payment	\$875	Health Service Union NSW (State Registered)

			Trade Union leave costs	Payment	\$4,991	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	Lynne Russell	Honorarium	Payment	\$800	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	Sharon Joseph	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	Alan Wilcock	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
			Trade Union leave costs	Payment	\$1,272	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	John Chester	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	Susanne Davis	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	Steven Fraser	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	Peter Iffland	Honorarium	Payment	\$375	Health Service Union NSW (State Registered)

New South Wales	Member of Branch Union Council National Councillor	Shirley O'Riley	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	Gillian Reilly	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	Sarah Dufty	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
New South Wales	Member of Branch Union Council National Councillor	Leigh Bush	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)
New South Wales	National Councillor	Marianna Milosavjevic	Honorarium	Payment	\$500	Health Service Union NSW (State Registered)

Rule 87 Disclosure of material personal interests - financial year ending 30 June 2016

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.
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.

Rule 88 Disclosure of Payments - financial year ending 30 June 2016

In the financial year to 30 June 2016 no payments were made to to a related party of the Union, to a related party of the Branch of the Union, or to a declared person or body of the Union as required by Rule 88.



7 December 2016

Mr Chris Brown
National Secretary
Health Services Union

Sent via email: chrisb@hsu.net.au

Dear Mr Brown,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the Health Services Union (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Mr Chris Brown
National Secretary
Health Services Union
By email: chrisb@hsu.net.au

Dear Mr Brown,

**Re: Lodgement of Financial Report - [FR2016/152]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Health Services Union (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

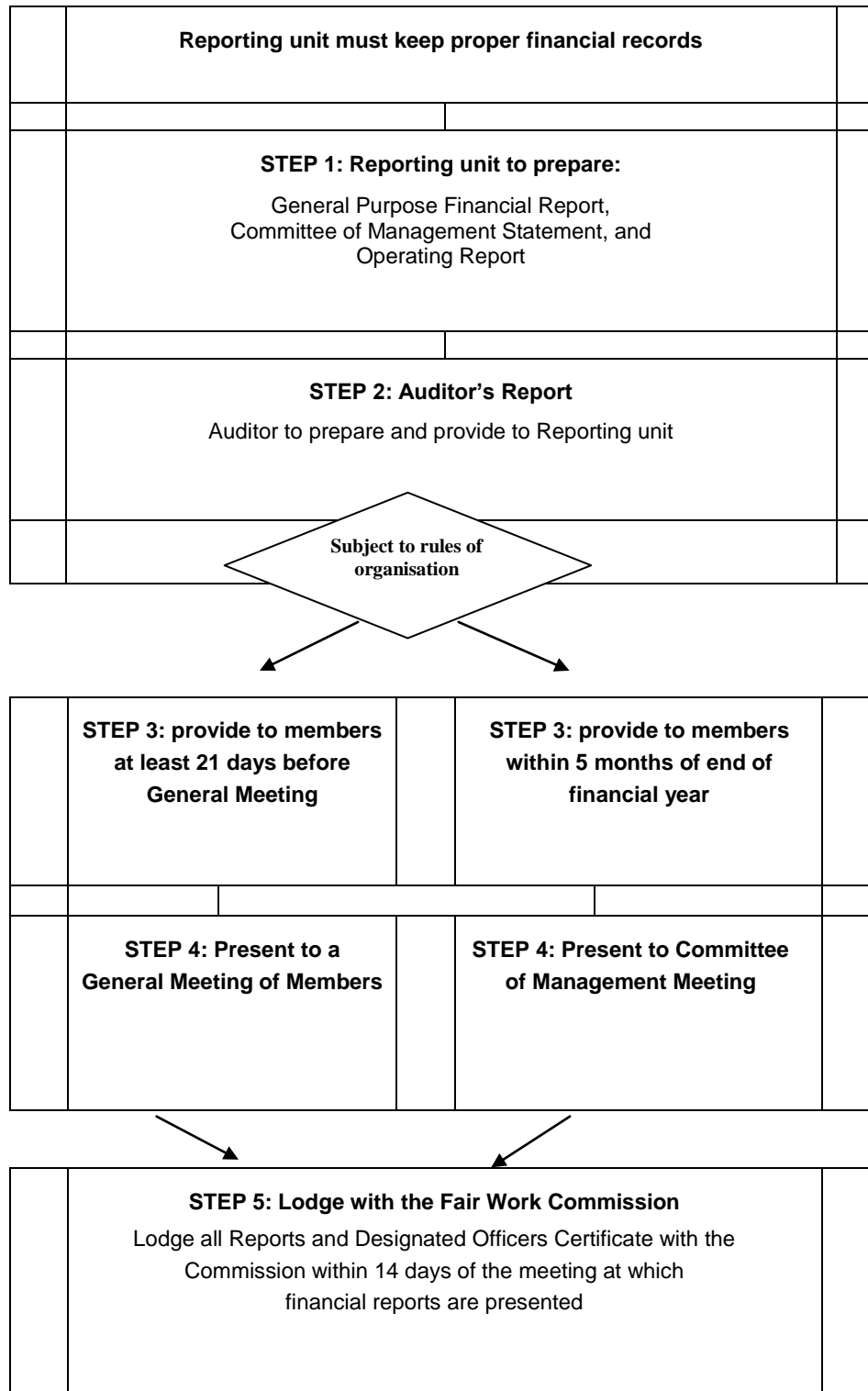


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au