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From: ROC - Registered Org Commission
Sent: Thursday, 30 November 2017 3:15 PM
To: 'Leigh Svendsen'
Cc: Tim Jacobson; 'Graham Webb'
Subject: FR2017/102 Health Services Union - National GPRF 2016-2017
[SEC=UNCLASSIFIED]
Attachments: HSU_FR2017_102_Filing letter_30112017.pdf

UNCLASSIFIED

Dear Mr Jacobson

Please see attached my letter in relation to the above financial report. I have also copied this email to Mr Webb of Hall Chadwick.

Yours faithfully

DAVID VALE

Principal Adviser

Financial Reporting

Registered Organisations Commission

Tel: (02) 8293 4654

david.vale@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Street address: Level 13, 175 Liverpool Street Sydney NSW 2000

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Australian Government

Registered Organisations Commission

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From: Leigh Svendsen [<mailto:leighs@hsu.net.au>]
Sent: Monday, 27 November 2017 4:24 PM
To: ROC - Registered Org Commission <regorgs@roc.gov.au>
Cc: Tim Jacobson <timj@hsu.net.au>
Subject: FR2017/102 Health Services Union - National GPRF 2016-2017

Dear Commissioner

Attached please find:

1. Letter to the Commissioner from the Acting National Secretary
2. The Designated Officer's Certificate

3. The Health Services Union financial reports for the financial year ending 30 June 2017.

If you have any further questions, please contact Leigh Svendsen on 0418 538 989 or leighs@hsu.net.au in the first instance.

Regards.../ Leigh Svendsen

Leigh Svendsen | Senior National Industrial Officer | HSU National

Suite 46, Level 1, 255 Drummond Street, Carlton VIC, 3053

PO Box 98, Carlton South VIC 3053

ABN 68 243 768 561

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HSU National acknowledges the Traditional Owners and Elders past, present and future across Australia. We respectfully acknowledge that our office stands on the lands of the traditional owners and continuing custodians of Melbourne, the Boon Wurrung and Woi Wurrung language groups of the greater Kulin Nation.

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30 November 2017

Mr Tim Jacobson
Acting National Secretary
Health Services Union
PO BOX 98
CARLTON SOUTH VIC 3053
hsu@hsu.net.au

CC: gwebb@hallchadwick.com.au

Dear Mr Jacobson,

Health Services Union
Financial Report for the year ended 30 June 2017 - [FR2017/102]

I acknowledge receipt of the financial report of the Health Services Union. The documents were lodged with the Registered Organisations Commission (the ROC) on 27 November 2017.

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 2018 may be subject to an advanced compliance review.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

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

If you have any queries regarding this letter, please contact me on (02) 8293 4654 or via email at david.vale@roc.gov.au.

Yours faithfully

A handwritten signature in blue ink, appearing to read "David Vale", is enclosed in a thin black rectangular border. The signature is written in a cursive style with a long horizontal stroke extending to the right.

David Vale
Registered Organisations Commission

From: Leigh Svendsen <leighs@hsu.net.au>
Sent: Monday, 27 November 2017 4:24 PM
To: ROC - Registered Org Commission
Cc: Tim Jacobson
Subject: FR2017/102 Health Services Union - National GPRF 2016-2017
Attachments: 20171124 - ROC Letter - 2017 GPFR.pdf; 20171124 - Designated Officers Certificate.pdf; 2016_2017 GPFR HSU.pdf

Dear Commissioner

Attached please find:

1. Letter to the Commissioner from the Acting National Secretary
2. The Designated Officer's Certificate
3. The Health Services Union financial reports for the financial year ending 30 June 2017.

If you have any further questions, please contact Leigh Svendsen on 0418 538 989 or leighs@hsu.net.au in the first instance.

Regards.../ Leigh Svendsen

Leigh Svendsen | Senior National Industrial Officer | HSU National

Suite 46, Level 1, 255 Drummond Street, Carlton VIC, 3053

PO Box 98, Carlton South VIC 3053

ABN 68 243 768 561

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24 November 2017

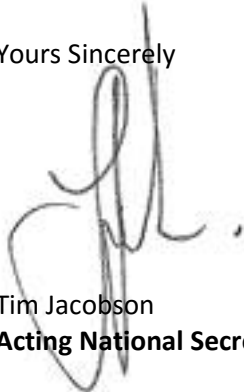
Commissioner
Registered Organisations Commission
GPO Box 2983
MELBOURNE VIC 3001

**Re: Designated Officers Certificate – s268 Fair Work (Registered Organisations) Act 2009
Health Services Union Financial Statements for Year Ending 30 June 2017**

Please find attached the Designated Officers Certificate and the Financial Statements for the Health Services Union for year ended 30 June 2017.

If you or your officers require further information please contact Leigh Svendsen on leighs@hsu.net.au or 0418 538 989.

Yours Sincerely



Tim Jacobson
Acting 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 2017

I Tim Jacobson being the Acting National Secretary of the Health Services Union certify:

- that the documents lodged herewith are copies of the full report for the Health Services Union for the period ended 30 June 2017 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 10 October 2017; and
- that the full report was presented to a meeting of the committee of management (National Executive) of the reporting unit on 24 November 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designate officer:

Tim Jacobson

Title of prescribed designated officer:

Acting National Secretary

Dated:

24 November 2017





FINANCIAL STATEMENTS 2016–17

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

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Health Services Union National Office, which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2017, notes to the financial statements, including a summary of significant accounting policies; and the National Executive Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Health Service Union National Office as at 30 June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon

The National Executive is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

SYDNEY

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2 Park Street
Sydney, N.S.W. 2000
Australia

GPO Box 3555
Sydney, N.S.W. 2001

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

Responsibilities of the National Executive for the Financial Report

The National Executive of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the National Executive determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the National Executive is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the National Executive either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the National Executive.
- Conclude on the appropriateness of the National Executive's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions

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

and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the National Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of Institute of Chartered Accountants in Australia and hold a current Public Practice Certificate.

H M Chadwick

HALL CHADWICK
Level 40, 2 Park Street
Sydney NSW 2000

G Webb

GRAHAM WEBB

Partner

Dated: 4 October 2017

Registration Number: AA2017/22

Health Services Union National Office

OPERATING REPORT

for the year ended 30 June 2017

The National Executive presents its report on the reporting unit for the financial year ended 30 June 2017.

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 6%</i>	<i>The increase in Capitation fees during the year was solely as a result on an increase in membership of the Union.</i>
<i>Other Revenue increased by 365%</i>	<i>Other income increased in the financial year due to the dissolution of the Queensland Branch and the transfer of funds to the National Union, and the collection of ACTU affiliation fees from Branches following a lifting of the HSU suspension from the ACTU.</i>
<i>Employee Expenses increased 19%</i>	<i>The number of employees of the National Office increase from 3 to 5 during the year.</i>
<i>Legal costs decreased by 88%</i>	<i>Legal costs decreased significantly during the year due to the finalisation of legal proceedings concerning previous officers of the Union.</i>
<i>Purchase of Office Accommodation</i>	<i>The Union purchased office accommodation in Carlton during the Financial year.</i>
<i>Administration costs increased by 44%</i>	<i>Administration costs increased during the year as a result of increased staff and increased activity by the National Union.</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	1/7/2016 to 30/6/2017
Rosemary Kelly	First State Superannuation Trustee Corporation	FSS Super	1/7/2016 to 30/6/2017

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 77,165 (2016: 74,553)

<i>New South Wales Branch</i>	<i>34,130</i>
<i>South Australian Branch</i>	<i>1,052</i>
<i>Tasmania Branch</i>	<i>7,544</i>
<i>Victoria No. 1 Branch</i>	<i>13,857</i>
<i>Victoria No. 2 Branch</i>	<i>7,867</i>
<i>Victoria No. 3 Branch</i>	<i>4,442</i>
<i>Victoria No. 4 Branch</i>	<i>2,392</i>
<i>Western Australia Branch</i>	<i>5,881</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 5.00 (2016: 3.00)

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

<i>Lloyd Williams</i>	<i>National President</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Dan Hill</i>	<i>National Senior Vice President</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Mark Sterrey</i>	<i>National Junior Vice President</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Chris Brown</i>	<i>National Secretary</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Gerard Hayes</i>	<i>National Executive Member</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Paul Elliott</i>	<i>National Trustee</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Tim Jacobson</i>	<i>National Assistant Secretary</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Craig McGregor</i>	<i>National Trustee</i>	<i>1 Jul 2016 to 30 Jun 2017</i>

<i>Rosemary Kelly</i>	<i>National Executive Member</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Chris Panizza</i>	<i>National Executive Member</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Jorge Navas</i>	<i>National Executive Member</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Paul Healey</i>	<i>National Executive Member</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Diana Asmar</i>	<i>National Executive Member</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Andrew Hewat</i>	<i>National Executive Member</i>	<i>1 Jul 2016 to 30 Jun 2017</i>
<i>Jonathan Milman</i>	<i>National Executive Member</i>	<i>1 Jul 2016 to 9 Sep 2016</i>
<i>Robbie Moore</i>	<i>National Executive Member</i>	<i>1 Jul 2016 to 30 Jun 2017</i>



Signature of designated officer:

Name and title of designated officer: Tim Jacobson, Acting National Secretary

Dated: 4 October 2017

Health Services Union National Office

NATIONAL EXECUTIVE STATEMENT

for the year ended 30 June 2017

On the 4 October 2017 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 2017:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- (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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi) no order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) During the financial year ended 30 June 2017, 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:

Name and title of designated officer: **Tim Jacobson**
Acting National Secretary

Dated: 4 October 2017

Health Services Union National Office
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 30 June 2017

		2017	2016
	Notes	\$	\$
Revenue			
Membership subscription		-	-
Capitation fees	3A	1,781,202	1,671,592
Levies	3B	-	-
Interest	3C	20,530	14,945
Other revenue	3D	653,204	179,000
Total revenue		2,454,936	1,865,538
Other Income			
Grants and/or donations	3E	-	-
Total other income		-	-
Total income		2,454,936	1,865,538
Expenses			
Employee expenses	4A	(637,123)	(536,554)
Capitation fees	4B	-	-
Affiliation fees	4C	(415,240)	(118,321)
Administration expenses	4D	(218,867)	(151,740)
Grants or donations	4E	(10,000)	-
Depreciation and amortisation	4F	(6,726)	(23,482)
Finance costs	4G	(9,944)	(3,226)
Legal costs	4H	(24,989)	(207,232)
Audit fees	13	(26,500)	(16,000)
Loss on disposal	4I	(46,961)	-
Other expenses	4J	(315,591)	(271,244)
Total expenses		(1,711,941)	(1,327,799)
Surplus for the year		742,995	537,739
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Total comprehensive income for the year		742,995	537,739

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

Health Services Union National Office

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Notes	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	668,728	1,217,218
Trade and other receivables	5B	417,099	237,101
Total current assets		1,085,827	1,454,319
Non-Current Assets			
Leasehold Improvements	6A	-	26,176
Plant and equipment	6B	11,854	27,765
Buildings	6C	1,397,224	-
Total non-current assets		1,409,078	53,941
Total assets		2,494,905	1,508,260
LIABILITIES			
Current Liabilities			
Trade payables	7A	80,828	75,524
Other payables	7B	515,388	625,284
Borrowings	7C	72,421	-
Employee provisions	8A	166,130	125,263
Total current liabilities		834,767	826,068
Non-Current Liabilities			
Borrowings	9A	231,225	-
Employee provisions	8A	3,726	-
Total non-current liabilities		234,951	-
Total liabilities		1,069,718	826,068
Net assets		1,425,187	682,192
EQUITY			
Retained earnings		1,425,187	682,192
Total equity		1,425,187	682,192

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

Health Services Union National Office
STATEMENT OF CHANGES IN EQUITY
for the year ended 30 June 2017

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 July 2015		144,453	144,453
Surplus for the year		537,739	537,739
Closing balance as at 30 June 2016		682,192	682,192
Surplus for the year		742,995	742,995
Closing balance as at 30 June 2017		1,425,187	1,425,187

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

Health Services Union National Office
STATEMENT OF CASH FLOWS
for the period ended 30 June 2017

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
Cash received			
Capitation fees	10B	1,781,202	1,671,592
Interest		20,530	14,945
Other Income		474,526	179,000
Cash used			
Payments to employees & suppliers		(1,662,602)	(1,108,992)
Payments other reporting units/controlled entity(s)	10B	(47,025)	(42,527)
Interest		(9,944)	(2,500)
Net cash from operating activities	10A	556,687	711,518
INVESTING ACTIVITIES			
Cash used			
Purchase of plant and equipment	6B	(5,753)	(15,717)
Purchase of land and buildings	6C	(1,403,070)	-
Net cash (used by) investing activities		(1,408,823)	(15,717)
Financing Activities			
Cash received			
Proceeds from borrowings		910,000	(100,000)
Repayment of borrowings		(606,354)	-
Net cash from/(used by) investing activities	7C	303,646	(100,000)
Net (decrease) /increase in cash held		(548,490)	595,810
Cash & cash equivalents at the beginning of the reporting period		1,217,218	621,417
Cash & cash equivalents at the end of the reporting period	5A	668,728	1,217,218

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

Health Services Union National Office

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Note 16	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

Note1 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.

Note1 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 reliably

Note1 Summary of significant accounting policies

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.

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.

Note1 Summary of significant accounting policies

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

Note1 Summary of significant accounting policies

Fair value through profit or loss (cont'd)

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.

Note1 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.

Note1 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

Note1 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.

Note1 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:

	2017	2016
Leasehold Improvements	3 years	3 years
Plant and equipment	2.5 to 7.5 years	2.5 to 7.5 years
Buildings	40 years	40 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.

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.

1.21 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

There were no events that occurred after 30 June 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Health Services Union National Office.

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Note 3 Income

Note 3A: Capitation fees

	2017	2016
	\$	\$
New South Wales	782,351	742,755
South Australia	27,221	22,733
Tasmania Branch	181,864	176,835
Victoria No. 1 Branch	302,158	280,250
Victoria No. 2 Branch	183,562	171,439
Victoria No. 3 Branch	102,186	85,848
Victoria No. 4 Branch	60,876	55,130
Western Australia	140,984	136,602
Total capitation fees	<u>1,781,202</u>	<u>1,671,592</u>

Note 3B: Levies

	2017	2016
	\$	\$
Levies	-	-
Total levies	<u>-</u>	<u>-</u>

Note 3C: Interest

Deposits	20,530	14,945
Total interest	<u>20,530</u>	<u>14,945</u>

Note 3D: Other Revenue

Miscellaneous revenue from other branches	158,372	58,746
Affiliation fees	439,902	102,331
Other revenue	54,930	17,923
Total Other Revenue	<u>653,204</u>	<u>179,000</u>

Note 3E: Grants or donations

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

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	195,415	191,296
Superannuation	18,398	21,924
Leave and other entitlements	19,352	12,889
Payroll tax	19,933	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	253,098	226,109

Employees other than office holders:

Wages and salaries	294,067	245,101
Superannuation	27,565	42,271
Leave and other entitlements	33,428	23,023
Payroll tax	28,965	-
Separation and redundancies	-	-
Other employee expenses	-	50
Subtotal employee expenses employees other than office holders	384,025	310,445
Total employee expenses	637,123	536,554

Note 4B: Capitation Fees

	2017	2016
	\$	\$
Capitation Fees	-	-
Total capitation fees	-	-

Note 4C: Affiliation fees

ACTU Affiliation Fees	415,240	101,973
Union Aid Abroad Affiliation Fees	-	16,348
Total affiliation fees/subscriptions	415,240	118,321

Note 4D: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances – meeting and conferences	-	-
Conference and meeting expenses	31,172	3,131
Staff & Visitor Amenities	459	308
Computer Expenses	12,055	3,546

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Note 4D: Administration expenses (cont'd)

	2017	2016
	\$	\$
Sponsorship	-	1,500
Electricity	984	876
Office Relocation	16,016	8,728
Promotional	-	584
Insurance	2,616	3,964
Campaign Expenses	35	46
Sundry Expenses	-	29,725
Staff Training	2,706	-
National Industrial Expenses	-	181
National Office Other	-	5,742
Office Expenses	9,945	41,319
Contractors/consultants	99,714	2,800
Information Communications Technology	-	400
Car Rental	198	-
Recruitment Expenses	9,726	-
Subtotal administration expense	185,626	102,850
Operating lease rentals:		
Minimum lease payments	33,241	48,890
Total administration expenses	218,867	151,740

Note 4E: Grants or 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	-	-
Total paid that exceeded \$1,000	10,000	-
(Donation made to CUB55)		

Total grants or donations	10,000	-
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Note 4F: Depreciation and amortisation

Depreciation

Leasehold Improvements	-	6,888
Property, plant and equipment	880	16,595
Office Building	5,846	-

Total depreciation	6,726	23,482
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Note 4G: Finance costs

Interest Expense	9,944	3,226
Total finance costs	9,944	3,226

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Note 4H: Legal costs

	2017	2016
	\$	\$
Litigation	-	197,693
Industrial legal	14,790	1,668
Other legal matters	10,199	7,871
Total finance costs	24,989	207,232

Note 4I: Loss on disposal

Loss on disposal:		
Leasehold improvements	26,175	-
Plant and equipment	20,786	-
Total loss	46,961	-

Note 4J: Other expenses

Penalties - via RO Act or RO Regulations	-	-
Advertising	-	399
Fringe benefits tax	-	-
Workcover	7,906	6,522
Management expense	-	-
Motor Vehicle Expense	-	-
Australia Tax Office	3,753	-
Travel and accommodation	242,792	241,424
CPD Implementation expense	61,140	22,899
Total other expenses	315,591	271,244

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	608,728	1,157,518
Term deposits	60,000	60,000
Total cash and cash equivalents	668,728	1,217,218

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Note 5B: Trade and Other Receivables

Receivables from other reporting units

	2017	2016
	\$	\$
New South Wales Branch	11,208	-
South Australia Branch	3,600	-
Victoria No. 1 Branch	50,337	45,177
Victoria No. 2 Branch	72,339	59,820
Victoria No. 3 Branch	9,999	-
Victoria No. 4 Branch	21,269	19,807
Tasmania Branch	75,572	61,703
Queensland Branch	-	2,842
Western Australia Branch	53,234	47,752
Total receivables from other reporting units	297,558	237,101
Less provision for doubtful debts	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting units	297,558	237,101
Other receivables:		
GST receivable from the Australian Taxation Office	85,042	-
Other receivables	34,499	-
Total other receivables	118,221	-
Total trade and other receivables (net)	417,099	237,101

Note 6 Non-current Assets

Note 6A: Leasehold Improvements

Leasehold Improvements:

At cost	-	61,109
accumulated depreciation	-	(34,933)
Total leasehold improvements	-	26,176

Note 6B: Plant and equipment

Plant and equipment:

at cost	14,238	187,264
accumulated depreciation	(2,384)	(159,500)
Total plant and equipment	11,854	27,764

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Note 6C: Buildings

	2017	2016
	\$	\$
Buildings:		
at cost	1,403,070	-
accumulated depreciation	(5,846)	-
Total buildings	1,397,224	-

Reconciliation of Opening and Closing Balances of Property, Plant and Equipment

	Leasehold Improvements \$	Plant and Equipment \$	Buildings \$	Total \$
Balance as at 1 July 2016	26,176	27,764	-	53,940
Additions	-	5,755	1,403,070	1,408,825
Disposals	(26,176)	(20,786)	-	(46,962)
Depreciation	-	(879)	(5,846)	(6,725)
Balance as at 30 June 2017	-	11,854	1,397,224	1,409,078
Balance as at 1 July 2015	31,820	29,884	-	61,704
Additions	-	15,717	-	15,717
Disposals	-	-	-	-
Depreciation	(5,644)	(17,837)	-	(23,481)
Balance as at 30 June 2016	26,176	27,764	-	53,940

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	72,809	67,668
Subtotal trade creditors	72,809	67,668

Payables to other reporting unit[s]

HSU NSW Branch	2,476	5,000
Australian Nursing Federation	-	750
Tasmania Branch	3,257	679
HSU VIC No.2	2,286	1,427

Subtotal payables to other reporting unit[s]	8,019	7,856
Total trade payables	80,828	75,524

Settlement is usually made within 30 days.

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Note 7B: Other payables

	2017	2016
	\$	\$
Wages and salaries	-	-
Superannuation	-	-
Consideration to employers for payroll deductions	-	26,125
Legal costs	-	-
GST payable	-	68,473
Deferred Income	515,388	530,675
Other	-	11
Total other payables	515,388	625,284

Total other payables are expected to be settled in:

No more than 12 months	515,388	625,284
Total other payables	515,388	625,284

Note 7C: Borrowings

Loan from New South Wales Branch	-	100,000
Loan for purchase of buildings:		
No more than 12 months	72,421	-
	72,421	100,000

On 12 April 2017, HSU borrowed \$910,000 to purchase the new office building. The loan bears an interest rate of 5.85%, and has a repayment period of 15 years. On 23 June 2017, HSU repaid \$600,000 to reduce the remaining loan amount payable. The total remaining amount payable as at 30 June 2017 is \$303,646.

Note 8 Provisions

Note 8A: Employee Provisions

Office Holders:

Annual leave and RDO	40,329	30,779
Long service leave	47,182	37,380
Subtotal employee provisions—office holders	87,511	68,159

Employees other than office holders:

Annual leave and RDO	44,400	29,177
Long service leave	37,944	27,927
Subtotal employee provisions—employees other than office holders	82,344	57,104
Total employee provisions	169,855	125,263

Current	166,130	125,263
Non Current	3,725	-
Total employee provisions	169,855	125,263

Note 9: Non-current Liabilities

Note 9A: Borrowings

	2017 \$	2016 \$
Loan for purchase of buildings:		
More than 12 months	231,225	-
	<u>231,225</u>	<u>-</u>

On 12 April 2017, HSU borrowed \$910,000 to purchase the new office building. The loan bears an interest rate of 5.85%, and has a repayment period of 15 years. On 23 June 2017, HSU repaid \$600,000 to reduce the remaining loan amount payable. The total remaining amount payable as at 30 June 2017 is \$303,646.

Note 10 Cash Flow

Note 10A: 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	668,728	1,217,218
Balance sheet	668,728	1,217,218
Difference	<u>-</u>	<u>-</u>

Reconciliation of surplus to net cash from operating activities:

Surplus for the year	742,995	537,739
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Adjustments for non-cash items

Depreciation	6,726	23,482
Loss on disposal of plant and equipment	46,961	-

Changes in assets/liabilities

(Increase)/decrease in trade and other receivables	(179,998)	(157,318)
Increase/(Decrease) in trade and other payables	(104,591)	305,757
Increase in employee provisions	44,594	1,858
Net cash from (used by) operating activities	<u>556,687</u>	<u>711,518</u>

Note 10B: Cash flow information

Cash inflows

New South Wales Branch	782,351	742,755
South Australia Branch	27,221	22,733
Tasmania Branch	181,864	176,835

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Victoria No. 1 Branch	302,158	280,250
Victoria No. 2 Branch	183,562	171,439

Note 10B: Cash flow information (cont'd)

	2017	2016
	\$	\$
Victoria No. 3 Branch	102,186	85,848
Victoria No. 4 Branch	60,876	55,130
Western Australia Branch	140,984	136,602
Total cash inflows	<u>1,781,202</u>	<u>1,671,592</u>
Cash outflows		
Australian Nursing Federation	2,284	2,270
New South Wales Branch	7,606	4,545
Tasmania Branch	12,223	12,581
Victoria No.1 Branch	-	2,063
Victoria No. 2 Branch	6,388	12,223
Victoria No. 3 Branch	5,106	2,867
Victoria No. 4 Branch	4,734	4,022
Western Australia Branch	8,684	1,956
Total cash outflows	<u>47,025</u>	<u>42,527</u>

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and Contingencies

Operating lease commitments—as lessee

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

	2017	2016
	\$	\$
Within one year	-	34,776
After one year but not more than five years	-	-
More than five years	-	-
	<u>-</u>	<u>34,776</u>

Note 12 Related Party Disclosures

Note 12A: 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.

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 2017, the Health Services Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2016: \$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 12B: Key Management Personnel Remuneration for the Reporting Period

Short-term employee benefits

Salary (including annual leave taken)	195,415	191,296
Annual leave accrued	40,329	-
Performance bonus	-	-
Total short-term employee benefits	<u>235,744</u>	<u>191,296</u>

Note 12B: Key Management Personnel Remuneration for the Reporting Period (cont'd)

	2017	2016
	\$	\$
Post-employment benefits:		
Superannuation	18,398	18,173
Total post-employment benefits	<u>18,398</u>	<u>18,173</u>
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	-	-
Total termination benefits	<u>-</u>	<u>-</u>

Note 13 Remuneration of Auditors

Value of the services provided		
Auditing the financial statements	17,147	12,500
Financial statement audit services	9,353	3,500
Other accounting services – previous matters	-	-
Total remuneration of auditors	<u>26,500</u>	<u>16,000</u>

Note 14 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.

Liquidity Risk

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

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

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Note 14A: Categories of financial instruments

Financial assets

	2017	2016
	\$	\$
Fair value through profit or loss:		
Cash and cash equivalents	668,728	1,217,218
Trade and other receivables	417,099	237,105
Total	<u>1,085,827</u>	<u>1,454,323</u>
Carrying amount of financial assets	<u><u>1,085,827</u></u>	<u><u>1,454,323</u></u>

Financial liabilities

Borrowings	303,646	-
Trade and other payables	596,216	700,808
Total	<u>899,862</u>	<u>700,808</u>
Carrying amount of financial liabilities	<u><u>899,862</u></u>	<u><u>700,808</u></u>

Note 14B: Net income and expense from financial assets

	Carrying amount 2017 \$	Fair Value 2017 \$	Carrying amount 2016 \$	Fair Value 2016 \$
Financial Assets				
Cash and cash equivalents	668,728	668,728	1,217,218	1,217,218
Loans and receivables	417,099	417,099	237,105	237,105
Total	<u>1,085,827</u>	<u>1,085,827</u>	1,454,323	1,454,323
Financial Liabilities				
Borrowings	303,646	303,646	-	-
Trade and other payables	596,216	596,216	700,808	700,808
Total	<u>889,862</u>	<u>889,862</u>	700,808	700,808

Note 14C: Credit risk

Credit risk represents the loss that would be recognised if counterparties failed to perform as contracted. The reporting units maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the balance sheet.

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

	2017	2016
	\$	\$
Financial assets		
Loans and receivables	417,099	237,105
Total	<u>417,099</u>	<u>237,105</u>

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Financial liabilities

Note 14C: Credit risk (cont'd)

	2017	2016
	\$	\$
Borrowings	303,646	-
Trade and other payables	596,216	700,808
Total	889,862	700,808

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

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

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2017	2017	2016	2016
	\$	\$	\$	\$
Loans and receivables	417,099	-	237,105	-
Total	417,099	-	237,015	-

Ageing of financial assets that were past due but not impaired for 2017

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	-	410	-	-	410
Total	-	410	-	-	410

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

Note 14D: Liquidity risk

Liquidity risk arises when the Health Services National Office is unable to meet its financial obligations as they fall due. The Health Services Union National Office operates under a policy of settling financial obligations within 30 days and in the event of a dispute, makes payments within 30 days of the date of resolution. It also continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding cash and cash equivalents. The reporting unit's exposure to liquidity risk is deemed insignificant based on prior periods data and current assessment of risk. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Contractual maturities for financial liabilities 2017

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade payables	-	596,216	-	-	-	596,216
Borrowings	-	72,421	79,859	151,367	-	303,646
Total	-	668,637	79,859	151,367	-	889,862

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

Note 14D: Liquidity risk (cont'd)

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

Note 14E: Market risk

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

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

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 2017

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 \$8,375 GST inclusive (2016: \$10,562) and paid to the HSU of WA

Mr Dan Hill, WA Branch Secretary and National Senior Vice President – suggested by Unions WA (peak body) – Member State Training Board – Sitting Fees \$10,741 GST inclusive (2016: \$14,320) 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 \$103,413 – 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 \$9,824 – Paid into 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 \$63,239 – 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 \$6,008 – Paid into Mr Williams' HESTA Superannuation Fund

Mr Lloyd Williams, Victoria No.2 Branch Secretary and HSU National President – Director, HESTA/IFM –Directors Fees \$15,912 – 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 \$1,512 – Paid into Mr Williams' HESTA Superannuation Fund

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

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

Rule 86 Remuneration paid to the highest paid officers - financial year ending 30 June 2017

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	\$195,415	Health Services Union
			Superannuation (Do not include any employee contributions)	Payment	\$18,398	Health Services Union
South Australia/ Northern Territory Branch	Branch Secretary Member National Executive National Councillor	Jorge Navas	Wages	Payment	\$97,396	SA/NT Branch
			Superannuation (Do not include any employee contributions)	Payment	\$9,116	SA/NT Branch
			Private use of motor vehicle	Non cash payment	\$3,557	SA/NT Branch
Western Australia	Branch Secretary Senior National Vice President Member National Executive National Councillor	Dan Hill	Wages	Payment	\$140,869	Health Services Union of WA (Union of Workers)
			Superannuation (Do not include any employee contributions)	Payment	\$25,461	Health Services Union of WA (Union of Workers)
			Salary Packaging Superannuation	Payment	\$9,120	Health Services Union of WA (Union of Workers)
			Private use of motor vehicle	Non-cash payment	\$17,250	Health Services Union of WA (Union of Workers)
Western Australia	Assistant Secretary Member National Executive National Councillor	Chris Panizza	Wages	Payment	\$111,128	Health Services Union of WA (Union of Workers)
			Superannuation (Do not include any employee contributions)	Payment	\$18,160	Health Services Union of WA (Union of Workers)

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

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

			Salary Packaging Superannuation	Payment	\$15,600	Health Services Union of WA (Union of Workers)
			Private use of motor vehicle	Non cash payment	\$11,882	Health Services Union of WA (Union of Workers)

Tasmania Branch	Branch President National Councillor	Judy Richmond	Honorarium	Payment	\$2,000	Tasmania Branch
Tasmania Branch	Branch Secretary National Assistant Secretary Member National Executive National Councillor	Tim Jacobson	Wages	Payment	\$132,827	Tasmania Branch
			Superannuation (Do not include any employee contributions)	Payment	\$20,456	Tasmania Branch
			Private use of motor vehicle	Non-cash payment	\$13,938	Tasmania Branch
Tasmania Branch	Branch Assistant Secretary Member National Executive National Councillor	Robbie Moore	Wages	Payment	\$112,765	Tasmania Branch
			Superannuation (Do not include any employee contributions)	Payment	\$17,273	Tasmania Branch
			Private use of motor vehicle	Non-cash payment	\$3,361	Tasmania Branch
Tasmania Branch	Branch Senior Vice President National Councillor HACSU Holiday Homes Co-ordinator	Chris Webb	Wages	Payment	\$5,547	Tasmania Branch
			Superannuation (Do not include any employee contributions)	Payment	\$305	Tasmania Branch

Victoria No.1 Branch	Branch Assistant Secretary National Councillor	David Eden	Wages	Payment	\$131,891	Victoria No.1 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$12,244	Victoria No.1 Branch

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

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

Victoria No.1 Branch	Branch Secretary Member National Executive National Councillor	Diana Asmar	Wages ADO	Payment Payment	\$150,675 \$6,383	Victoria No.1 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$14,763	Victoria No.1 Branch
Victoria No.1 Branch	Branch Delegate to National Council	Steven Mitchell	Wages	Payment	\$91,110	Victoria No.1 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$8,283	Victoria No.1 Branch
Victoria No.1 Branch	Branch President	Rhonda Barclay	Wages	Payment	\$34,648	Victoria No.1 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$3,069	Victoria No.1 Branch
Victoria No.1 Branch	Branch Senior Vice President	Lee Atkinson	Wages	Payment	\$94,999	Victoria No.1 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$8,799	Victoria No.1 Branch
Victoria No.1 Branch	Branch Committee Member	Nick Katsis	Wages	Payment	\$105,295	Victoria No.1 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$9,729	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	Lloyd Williams	Mandatory Superannuation 9.25%. Paid to Officer in his capacity as a HSU nominated Director.	Payment	\$6,008	HESTA

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

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

	National Councillor		Mandatory Superannuation 9.25%. Paid to Officer in his capacity as a HSU nominated Director.	Payment	\$1,512	HESTA / IFM
			Wages	Payment	\$145,095	Victoria No.2 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$21,386	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non-Cash Payment	\$903	Victoria No.2 Branch
Victoria No 2 Branch	Branch Assistant Secretary Member National Executive National Councillor	Paul Healey	Wages	Payment	\$127,260	Victoria No.2 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$17,624	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non-Cash Payment	\$903	Victoria No.2 Branch
Victoria No 3 Branch	Branch Secretary National Trustee Member National Executive Branch Councillor	Craig McGregor	Wages	Payment	\$139,884	Victoria No.3 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$13,073	Victoria No. 3 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non cash payment	\$6,535	Victoria No.3 Branch
Victoria No 3 Branch	Branch Assistant Secretary Member National Executive National Councillor	Andrew Hewat	Wages	Payment	\$79,753	Victoria No.3 Branch
			Superannuation (Do not include any employee contributions)	Payment	\$7,508	Victoria No.3 Branch
Victoria No 4 Branch	Branch Assistant Secretary	Rosemary Kelly	Mandatory Superannuation 9.25%. Paid to Officer in her capacity as a HSU nominated Director.	Payment	\$9,824	First State Super Trustee Corporation

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

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

	Member of National Executive National Councillor					
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New South Wales Branch	Branch President National Junior Vice President National Councillor	Mark Sterrey	Honorarium	Payment	\$4,000	Health Services Union NSW (State Registered)
New South Wales Branch	Branch Secretary Member National Executive National Councillor	Gerard Hayes	Wages	Payment	\$128,339	Health Services Union NSW (State Registered)
			Superannuation (Do not include any employee contributions)	Payment	\$15,947	Health Services Union NSW (State Registered)
			Reportable Fringe Benefit	Grossed up reportable	\$31,177	Health Services Union NSW (State Registered)
			Private use of motor vehicle	Non cash payment	\$6,400	Health Services Union NSW (State Registered)
New South Wales Branch	Branch Assistant Secretary/Treasurer National Councillor	Andrew Lillycrap	Wages	Payment	\$116,618	Health Services Union NSW (State Registered)
			Superannuation (Do not include any employee contributions)	Payment	\$14,857	Health Services Union NSW (State Registered)
			Reportable Fringe Benefit	Grossed up reportable	\$32,944	Health Services Union NSW (State Registered)
			Private use of motor vehicle	Non cash payment	\$821	Health Services Union NSW (State Registered)

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

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

New South Wales Branch	Branch Senior Vice President National Councillor	Leanne Burns	Honorarium	Payment	\$1,000	Health Services Union NSW (State Registered)
New South Wales Branch	Branch Junior Vice President National Councillor	Lindy Twyford	Honorarium	Payment	\$1,000	Health Services Union NSW (State Registered)
			Trade Union Leave Costs	Payment	\$2,078	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Committee National Councillor	Lynne Russel	Honorarium	Payment	\$800	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Sharon Joseph	Honorarium	Payment	\$125	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Alan Wilcock	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)
			Trade Union Leave Costs	Payment	\$1,272	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	John Chester	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Susanne Davis	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Steven Fraser	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Shirley O'Riley	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Gillian Reilly	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)

Health Services Union National Office
Notes of the Financial Statements for the year ended 30 June 2017

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

New South Wales Branch	Member of Union Council National Councillor	Sarah Dufty	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)
New South Wales Branch	National Councillor	Marianna Milosavljevic	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Leigh Bush	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Peter Mitchell	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Mercedes Polanco	Honorarium	Payment	\$1,375	Health Services Union NSW (State Registered)
New South Wales Branch	Member of Union Council National Councillor	Darriea Turley	Honorarium	Payment	\$500	Health Services Union NSW (State Registered)

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

Rule 87 Disclosure of material personal interests - financial year ending 30 June 2017

Branch	Name of Office	Name of Office Holder	Description of Material Personal Interest
Tasmania Branch	Branch Secretary National Assistant Secretary	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 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.
Victoria No.2 Branch	Branch Secretary National President	Lloyd Williams	Mr Williams is a Union nominated Trustee Director of HESTA Superannuation Fund and receives a contribution to his superannuation fund as a result of Board fees that are paid to the Victoria No.2 Branch
Victoria No.2 Branch	Branch Secretary National President	Lloyd Williams	Mr Williams is a HESTA nominated Director to Industry Fund Management (IFM) Advisory Board receives a contribution to his superannuation fund as a result of Board fees that are paid to the Victoria No.2 Branch.
Victoria No.4 Branch	Member National Executive National Councillor	Rosemary Kelly	Dr Kelly is a Union nominated Director to First State Super Trustee Corporation and receives a contribution to her superannuation fund as a result of Board fees that are paid to the Medical Scientists Association of Victoria.

Rule 88 Disclosure of Payments - financial year ending 30 June 2017

In the financial year to 30 June 2017 no payments were made to a related party of the Union, to a related party of the Union, or to a declared person or body of the Union as required by Rule 88.

Note 16 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 Commissioner:

- (1) A member of a reporting unit, or the Commissioner, 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).



8 August 2017

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

Dear Mr Brown,

**Re: Lodgement of Financial Report - [FR2017/102]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Health Services Union (the reporting unit) ended on 30 June 2017. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

Loans Grants and Donations Statement

The reporting unit is required to 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 of the RO act requires this statement to be lodged with Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2017.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Financial report

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on your rules) no later than 31 December 2017 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported. The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement (see attached *Loans Grants and Donations* fact sheet FS 009).

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. 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.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual) being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

Auditor's report

When assessing the financial report we will also focus on the structure and content of the auditor's report to ensure that it complies with the revisions made to the Auditing Standards which came into effect from 15 December 2016. Please find below a guidance note *Illustrative Auditor's Report* (GN 004) relating to these requirements (which can also be located on our website).

REMINDER

YOUR AUDITOR MUST BE REGISTERED (s.256)

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

Contact

Should you require any clarification in relation to the above, please email regorgs@roc.gov.au.

Yours faithfully,

Michael Moutevelis

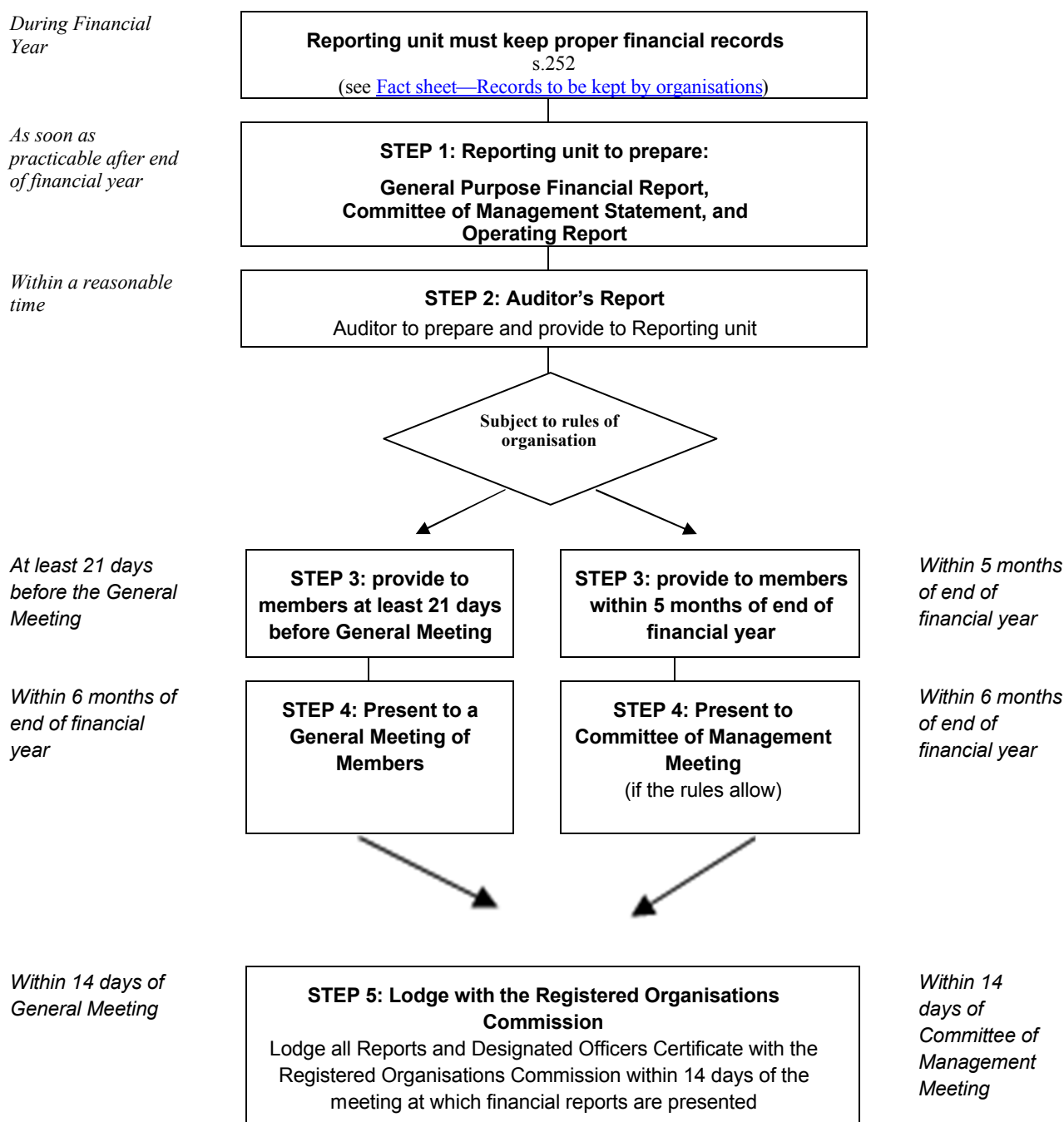
Registered Organisations Commission



Fact sheet

Summary of financial reporting timelines – s.253 financial reports

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 Commissioner'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 exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) 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 ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC 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.
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Grants & Donations within the Financial Report

Item 16(e) of the Commissioner'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 [ROC's Model Statements](#) the note appears as follows:

Note 4E: Grants ~~OR~~ donations*

Grants:	[Current year]	[Previous year]
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	-	-

The Commissioner'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 financial report staff of the ROC may 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 last 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 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 ROC on regorgs@roc.gov.au



Guidance Note

Illustrative Auditor's Report under section 257 of the *Fair Work (Registered Organisations) Act 2009*

Prepared and issued by the Registered Organisations Commission

Version	Date published
1	4 August 2017

1. Introduction

The purpose of this guidance note is to provide Registered Organisations with guidance on the revised Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report* (ASA 700), as issued by the Auditing and Assurance Standards Board ('AUASB').

An 'Illustrative Auditor's Report' is included to assist Registered Organisations to understand the new auditing requirements.

2. Background to the revised Auditing Standard

From 15 December 2016, the structure of the Auditor's Report changed as a result of revisions made to the Australian Auditing Standards (ASAs). The changes impact all auditors' reports prepared in accordance with the ASAs.

The purpose of the change is to:

- enhance the communicative value of the Auditor's Report;
- give prominence to the most important matters by re-ordering the content;
- enhance reporting on going concern matters (if applicable), and provide enhanced descriptions of the respective responsibilities of management and the auditor, in relation to going concern;
- provide an affirmative statement on auditor's independence and fulfilment of relevant ethical responsibilities;
- provide more information to users on the auditor's responsibilities, and the key features of an audit and;
- provide details of other information the auditor has received at the date of the Auditor's Report, and is expected to receive after the date of the Auditor's Report¹.

3. Key changes included in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Structure of the auditor's report	ASA 700.21-52	The form and structure of the audit report have been reorganised due to changes in the Australian Auditing Standards.
Basis for opinion	ASA 700.28c	Requires references in the audit report to the applicable ethical standards e.g. APES 110 <i>Code of Ethics for Professional Accountants</i> .
Other information	ASA 700.32 ASA 720	ASA 720 now requires that the auditor 'read and consider' if the Other Information (including but not limited to the Operating Report) is materially inconsistent with the financial statements, or the auditor's knowledge obtained in the audit.
Committee of Management's responsibilities for the preparation of the financial report	ASA 700.33-36	ASA 700.34b has been added to reflect changes made in ASA 570. The changes emphasise that it is management's responsibility for assessing whether the use of the going concern assumption is appropriate. The auditors' roles and responsibilities related to going concern have not changed.
Auditor's responsibilities for the audit of the financial report	ASA 700.37-40	These paragraphs have been expanded to clarify the detailed nature and scope of the auditor's existing responsibilities and procedures, and to make an explicit relationship of material misstatements to fraud or error.
Report on other legal and	ASA 700.43-45	This section is only applicable if there are other matters to report as required by other legislation.

¹ Adapted from 'Auditor Reporting FAQs' – Auditing and Assurance Standards Board - <http://www.auasb.gov.au/Publications/Auditor-Reporting-FAQs.aspx>

Description	Auditing standard ref.	Comments
regulatory requirements		<p>Under sections 257(6) and (7) of the <i>Fair Work (Registered Organisations) Act 2009</i> ('RO Act'), the auditor is required to report on any instances of non-compliance or deficiency or shortcoming with respect to financial record-keeping, and section 257(2) of the RO Act requires auditors to report on access restrictions to the financial records of the organisation.</p> <p>This section is not required if there are no matters to report.</p>

4. Key changes not reflected in the illustrative Auditor's Report

Description	Auditing standard ref.	Comments
Key Audit Matters	ASA 700.30-31, A41 ASA 701	<p>ASA 701 provides additional disclosures for entities listed on a securities exchange to communicate key audit matters ('KAMs') in the auditor's report. KAMs are those matters that, in the auditor's judgement, are of most significance to the audit of the financial statements of the current financial period.</p> <p>At this point in time, the ROC does not require the inclusion of KAMs.</p>

The numbered references in the Illustrative Auditor's Report refer to the explanatory paragraphs in section 5 of this Guidance Note 'Illustrative Auditor's Notes'. The Illustrative Auditor's Report is also included in the 'Model Financial Statements' published on the Registered Organisations Commission's website.

<To be printed on Auditor letterhead>

Independent Audit Report to the Members of <name of Reporting Unit>

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of <name of Reporting Unit> (the Reporting Unit), which comprises the statement of financial position² as at <balance date>, the statement of comprehensive income³, statement of changes in equity⁴ and statement of cash flows⁵ for the year ended <date>, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management⁶ Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of <name of Reporting Unit> as at <balance date>, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon⁷

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

² Refer to paragraph 9 in Section 5 Illustrative Auditor's Report Notes in this Guidance Note

³ Ibid paragraph 9

⁴ Ibid paragraph 9

⁵ Ibid paragraph 9

⁶ Ibid paragraph 10; note if this is changed to another descriptor all other references in the Report should be changed to the other descriptor

⁷ Ibid paragraph 7

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of [name of appropriate professional accounting body] and hold a current Public Practice Certificate.

[Report on Other Legal and Regulatory Requirements]⁸

[In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of the following matter(s) because, in my opinion, it has been appropriately addressed by [Reporting Unit] and is not considered material in the context of the audit of the financial report as a whole:

[Example:

a) [Reporting Unit] failed to keep [name of other record] as required by section 252 of the RO Act for the period 1 July 20XX to 4 July 20XX inclusive.]]

[Report on the Recovery of Wages Activity financial report]⁹

Opinion on the recovery of wages activity financial report

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended <date>.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

<Audit Firm Name>

<Name>

Partner

⁸ Ibid paragraph 11

⁹ Ibid paragraph 11

<City>
<Date>

Registration number (as registered by the RO Commissioner under the RO Act)¹⁰: <insert number>

¹⁰ Ibid paragraph 12

5. Illustrative Auditor's Report Notes

For the purpose of this illustrative Auditor's Report, the following circumstances are assumed:

1. The financial report is prepared by management of the Reporting Unit in accordance with Australian Accounting Standards and the RO Act.
2. The terms of the audit engagement reflect the description of management's responsibility for the financial report in *ASA 210 Agreeing the Terms of Audit Engagements*.
3. The auditor has concluded an unmodified opinion is appropriate based on the audit evidence obtained.
4. The relevant ethical requirements that apply to the audit are the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants*.
5. Based on the audit evidence obtained, the auditor has concluded that a material uncertainty does not exist related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern in accordance with *ASA 570 Going Concern*.
6. The auditor is not required, and has otherwise not decided, to communicate key audit matters in accordance with *ASA 701 Communicating Key Audit Matters in the Independent Auditor's Report*.
7. The section on 'Information Other than the Financial Report and Auditor's Report Thereon' is customised depending on the nature of the Other Information received and when this information was received. The template provided assumes that the nature of the Other Information is the Operating Report and that it was received on or before the date of the audit report. If there is Other Information that accompanies the financial report in addition to the Operating Report, or if the Operating Report or any additional Other Information was not received on or before the date of the audit report, please refer to the requirements stated in *ASA 720 The Auditor's Responsibilities Relating to Other Information* for example wording.
8. The subheading 'Report on Other Legal and Regulatory Requirements' is only applicable where the auditor includes 'Other reporting responsibilities' in accordance with *ASA 700 Forming an Opinion and Reporting on a Financial Report*. Please delete the 'Report on Other Legal and Regulatory Requirements' section if there is no deficiency, failure or shortcoming to report.
9. Please ensure that the financial statement descriptions used in the Auditor's Report agree with those used in the financial report, for example, 'balance sheet' or 'statement of financial position'.
10. Use of 'Committee of Management' in the model auditor's report represents those charged with governance for the registered organisation, and can be replaced with other descriptors as appropriate for the organisation, for example, 'Council of Management', 'Executive Committee', etc.
11. If the Registered Organisation has not undertaken any recovery of wages activity during the reporting period the auditor's report should state that fact with reference

to the Committee of Management Statement, and no opinion can be provided in relation to recovery of wages activity.

12. Auditors must be registered by the Registered Organisations Commissioner. Your registration number under the RO Act will commence with the letters 'AA'.

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This guidance note is not intended to be comprehensive. It is designed to assist with making an application to the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.