



3 May 2019

Mr Lloyd Williams  
National Secretary  
Health Services Union  
Suite 46, 255 Drummond Street  
CARLTON VIC 3053

By email: [hsu@hsu.net.au](mailto:hsu@hsu.net.au)

CC: [gwebb@hallchadwick.com.au](mailto:gwebb@hallchadwick.com.au)

Dear Mr Williams,

### **Health Services Union**

#### **Financial Report for the year ended 30 June 2018 - [FR2018/98]**

I acknowledge receipt of the financial report for the year ended 30 June 2018 for the Health Services Union (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 21 December 2018. I also acknowledge the lodgement of an amended designated officer's certificate on 20 February 2019.

The financial report has now been filed.

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

Please note that the financial report for the year ending 30 June 2019 may be subject to an advanced compliance review.

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

#### **Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timeline requirements can be found on the ROC website. In particular, I draw your attention to the fact sheet titled *financial reporting process* which explains the timeline requirements, and the fact sheet titled *summary of financial reporting timelines* which sets out the timeline requirements in diagrammatical form.

I note that the following timescale requirement was not met:

Reports must be provided to members within 5 months of end of financial year where report is presented to committee of management meeting

Under section 265(5)(b) of the RO Act, where the report is presented to a committee of management meeting, the report must be provided to members within 5 months of the end of the financial year. The amended designated officer's certificate states that the financial report was presented, for the purposes of section 266, to a committee of management meeting and that the full report was provided to members on 20 December 2018.

If the date of provision certified is correct, the reporting unit should have applied for an extension of time to provide the full report to members in accordance with section 265(5) of the RO Act.

Please note that in future financial years if an extension of time to provide the full report later than 5 months is required, a written request, signed by a relevant officer, including any reason for the delay, must be made *prior to* the expiry of the 5 months.

### **Auditor's report**

Audit scope to include subsection 255(2A) report

A general purpose financial report prepared under section 253 of the RO Act also includes the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22.

The subsection 255(2A) report must be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

A subsection 255(2A) report was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

Please ensure in future years that the subsection 255(2A) report is audited before provided to members and lodged with the ROC.

Audit scope to include officer's declaration statement

Where nil activity disclosures are contained in an officer's declaration statement, in accordance with reporting guideline 21, the officer's declaration statement also forms part of a general purpose financial report prepared under section 253 of the RO Act (see subsection 253(2)(c) of the RO Act.)

Please also note that an officer's declaration statement must, where one is prepared, be identified by title in the auditor's statement in accordance with paragraph 24(c) of Australian Auditing Standard *ASA 700 Forming an Opinion and Reporting on a Financial Report*.

An officer's declaration statement was included in the copy of the documents lodged with the ROC but the auditor did not refer to the statement in the auditor's report.

### **General Purpose Financial Report**

Nil activities disclosure

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The officer's declaration statement and the notes contained nil activity information for all prescribed reporting guideline categories except the following:

- have a liability for separation and redundancy for holders of offices (reporting guideline 16(c)(iii));
- have a liability for other employment provisions for holders of offices (reporting guideline 16(c)(iv));
- have a liability for separation and redundancy for employees (other than holders of offices) (reporting guideline 16(d)(iii));

- have a liability for other employment provisions for employees (other than holders of offices) (reporting guideline 16(d)(iv)).

Please ensure in future years that the above mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

I also note that the following nil activity disclosures in the officer's declaration statement were duplicated in the body of the notes:

- receive revenue via compulsory levies – is disclosed in both the officer's declaration statement and in Note 3C;
- incur fees as consideration for employers making payroll deductions of membership subscriptions – is disclosed in both the officer's declaration statement and in Note 4D;
- pay compulsory levies – is disclosed in both the officer's declaration statement and in Note 4D;
- pay a grant that was \$1,000 or less – is disclosed in both the officer's declaration statement and in Note 4E;
- pay a grant that exceeded \$1,000 – is disclosed in both the officer's declaration statement and in Note 4E;
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit – is disclosed in both the officer's declaration statement and in Note 4D;
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009* – is disclosed in both the officer's declaration statement and in Note 4K;
- have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions – is disclosed in both the officer's declaration statement and in Note 7B;
- have a payable in respect of legal costs relating to litigation – is disclosed in both the officer's declaration statement and in Note 7B;
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch – is disclosed in both the officer's declaration statement and in Note 10B.

Please note that nil activities only need to be disclosed once.

## **Establishment of the National Office Reporting Unit**

### Reporting guideline 12

Item 12 of the reporting guidelines states:

*'Where a reporting unit acquires an asset or a liability during the financial year as a result of: ....*

*c) a determination by the General Manager of the Fair Work Commission under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation; ....*

*the reporting unit must disclose in the notes to the financial statements in respect of each such asset or class of assets or each such liability or class of liabilities:*

*e) the date acquired;*

*f) a description; and*

*g) the name of the entity (including a reporting unit of the organisation or that of another organisation) from which it was acquired'.*

Note 16 in the notes to the financial statements disclosed that the Fair Work Commission had issued an section 245 certificate on 6 July 2017 which had the effect that the National Office of the Health Services Union and the South Australian Branch of the Health Services Union would form a single reporting unit. However, the notes to the financial statements did not disclose the required information set out above in item 12 in respect of each such asset or class of assets and each such liability or class of liabilities.

Please ensure that these items are appropriately disclosed in next year's financial report.

#### Inconsistency in disclosure of information

The officer's declaration statement includes a declaration that the following activity did not occur during the reporting period ending 30 June 2018:

'acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission'.

As identified above, Note 16 in the notes to the financial statements discloses that on 6 July 2017, the Fair Work Commission issued a section 245 certificate, which related to a determination of reporting units by the General Manager of the Fair Work Commission. The information within the officer's declaration statement appears to be inconsistent with the disclosures made within the reporting unit's financial report.

#### **Redaction of information from general purpose financial report**

##### Officer-Related party remuneration and payment disclosures

In the financial report, certain information disclosed in Note 17, on pages 39-44, has been redacted from the copy of the 2018 financial report by the ROC before publishing it on its website. Similar information was contained in previous financial reports and this information appears to reflect the requirement of the reporting unit's rules 85-88 that such information be disclosed to the members of the reporting unit.

Part 2A of Chapter 9 contains new provisions which supersede those former provisions of the RO Act which had required organisations and branches to have, and comply with, their own rules concerning similar disclosure in relation to officer remuneration.

Section 293J of Part 2A now requires an organisation to provide its members and lodge with the ROC a copy of an officer and related party disclosure statement in respect of certain remuneration<sup>1</sup> and payments<sup>2</sup> paid during the relevant financial year. This requirement applied to the financial year ending 30 June 2018. The statement is required to be lodged with the ROC within the period of 6 months starting at the end of the financial year, i.e. in this case, before or by no later than 31 December. I note that an officer and related party disclosure statement for the reporting unit was lodged with the ROC on 20 December 2018. I also acknowledge the lodgement of an amended officer and related party disclosure statement on 21 December 2018.

Please note that the officer and related party disclosure statement is separate from, and does not form part of, the general purpose financial report required under section 253 of Part 3 of Chapter 8.

Further information about officer and related party statements may be found on the ROC website at the following link: <http://www.roc.gov.au/running-a-registered-organisation/disclosure-obligations>.

The ROC takes its obligations relating to privacy seriously and endeavours to ensure compliance with the requirements under the *Privacy Act 1988* (**Privacy Act**). The redactions have been effected in accordance with the ROC privacy policy to protect the personal information of persons identified in the financial report. A copy of the ROC privacy policy can be found via [this link](#).

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<sup>1</sup> see section 293BC

<sup>2</sup> see section 293G

## **Other**

### References to the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that item (e)(vi) in the committee of management statement refers to the 'Registered Organisations Commission' instead of the 'Fair Work Commission'.

### Inconsistency in disclosure of information

The officer's declaration statement also includes a declaration that the following activity did not occur during the reporting period ending 30 June 2018:

'pay capitation fees to another reporting unit'.

However, both the statement of comprehensive income and Note 4B in the notes to the financial statements disclose that there was an expense of \$24,265 for capitation fees.

In future years, please ensure that items within the financial report are disclosed consistently.

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available 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](mailto:david.vale@roc.gov.au).

Yours faithfully



David Vale  
Registered Organisations Commission

Thursday, 7 February 2019

Registered Organisations Commissioner  
Registered Organisations Commission

By Email: [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)  
[David.vale@roc.gov.au](mailto:David.vale@roc.gov.au)

Dear Commissioner

**RE: HSU National Office General Purpose Financial Report – Amended Certificate**

Attached please find my amended 'Prescribed Designated Officer' certificate for the Health Services Union National Office 2017/2018 General Purpose Financial Report lodged by email on the 21 December 2018.

Yours sincerely,



Lloyd Williams  
**National Secretary**



## Health Services Union

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

### **Certificate by Prescribed Designated Officer**

Certificate for the year ended 30 June 2018

I, Lloyd Williams, being the National Secretary of the Health Services Union certify:

- that the documents lodged herewith are copies of the full report for the Health Services Union for the period ended 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 20 December 2018; and
- that the full report was presented to a meeting of the National Executive of the reporting unit on 14<sup>th</sup> November 2018 (first meeting) and again on 12<sup>th</sup> December 2018 (second meeting) in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Lloyd Williams

Title of prescribed designated officer:

**National Secretary**

Dated:

Thursday 7 February 2019





## FINANCIAL STATEMENTS 2017–18

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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 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, 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 2018, 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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200 Park Street  
Sydney, NSW 2000  
Australia

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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 auditor registered under the RO Act.

*Hall Chadwick*

HALL CHADWICK  
Level 40, 2 Park Street  
Sydney NSW 2000

*Graham Webb*

**GRAHAM WEBB**

Partner

Dated: 12 December 2018

Registration Number: AA2017/22

**Health Services Union**

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

**Certificate by Prescribed Designated Officer**

Certificate for the year ended 30 June 2018

I Lloyd Williams, being the National Secretary of the Health Services Union certify:

- that the documents lodged herewith are copies of the full report for the Health Services Union for the period ended 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 19th November 2018; and
- that the full report was presented to a meeting of the National Executive of the reporting unit on 14<sup>th</sup> November 2018 (first meeting) and will be again on 12<sup>th</sup> December 2018 (second meeting) in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer:

Lloyd Williams

Title of prescribed designated officer:

National Secretary

Dated:

12 DECEMBER 2018

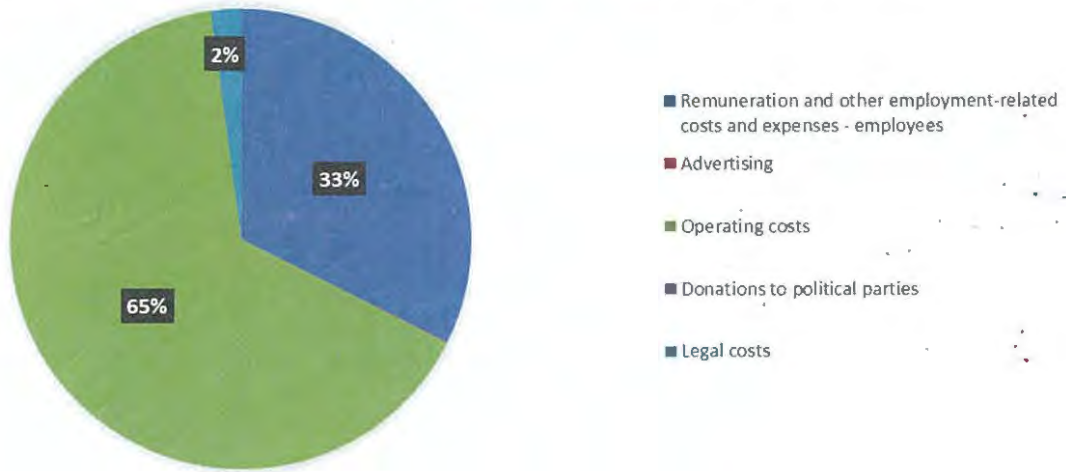
**Health Services Union**

**Report Required Under Subsection 255(2a)**

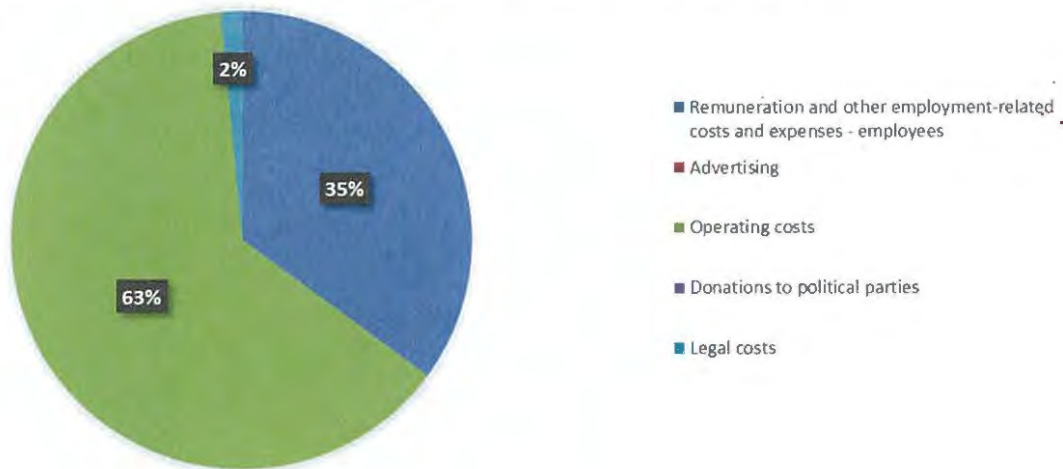
*for the year ended 30 June 2018*

The National Executive presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2018.

**2018 - Expenditure as required under s.255(2A) RO Act**



**2017 - Expenditure as required under s.255(2A) RO Act**



Signature of designated officer:

Name and title of designated officer:

Lloyd Williams, National Secretary

## Health Services Union

### Operating Report

for the year ended 30 June 2018

The National Executive presents its report on the reporting unit for the financial year ended 30 June 2018.

#### **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**

*The South Australian/ Northern Territory Branch became part of the National Office Reporting Unit (NORU)*

##### **Nature of Change**

*In early July 2017 a change to the Health Services Union (HSU) rules moved the SAINT Branch from a separate reporting unit to a part of the NORU for the purposes of all financial reporting obligations from the 2018/2019 financial year.*

*A certificate of exemption was required to ensure that the SAINT Branch could report as part of the NORU for 2017/2018. On 17 October 2018 the Registered Organisations Commission issued a Certificate of Exemption (FR2018/159).*

*Membership Revenue increased by 100%*

*The reported membership revenue is from the SAINT branch membership which is now reported as part of the National Union finances. There has been an increase in the SAINT membership of 17% since the 2016/17 financial year.*

*Employee Expenses increased 46%*

*The number of employees of the NORU increased from 5 to 7 during the year as a result of the SAINT Branch employees becoming employees of the National Union.*

*Administration Costs increased by 315%*

*Administration costs increased during the year as a result of the redistribution of surplus funds in the National accounts to the Branches on a per capita basis, increased staff, the inclusion of the SAINT Branch in the NORU and increased activity by the National Union.*

#### **Right of members to resign**

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

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

<b>Officer/Member</b>	<b>Trustee Company</b>	<b>Entity/Scheme</b>	<b>Period</b>
Lloyd Williams	H.E.S.T Australia Limited	HESTA Superfund	1/7/2017 to 30/6/2018



Rosemary Kelly	First State Superannuation Trustee Corporation	FSS Super	1/7/2017 to 30/6/2018
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### Number of members

The number of persons that were at the end of the financial year recorded in the register of members for Section 230 of Fair Work (Registered 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 81,436 (2017: 77,165).

Branch	Number of Members
New South Wales Branch	37,150
South Australian Branch	1,236
Tasmania Branch	7,617
Victoria No. 1 Branch	13,982
Victoria No. 2 Branch	8,444
Victoria No. 3 Branch	4,549
Victoria No. 4 Branch	2,560
Western Australia Branch	5,898

### 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 7.00 (2017: 5.00).

### Names of National Executive members, period & positions held during the financial year

Officer	Position	Period
Lloyd Williams	National President	1 July 2017 to 30 June 2018
Dan Hill	National Senior Vice President	1 July 2017 to 30 June 2018
Mark Sterrey	National Junior Vice President	1 July 2017 to 30 June 2018
Chris Brown	National Secretary	1 July 2017 to 24 February 2018
Gerard Hayes	National Executive Member	1 July 2017 to 8 April 2018
	National Secretary	9 April 2018 to 30 June 2018
Paul Elliott	National Trustee	1 July 2017 to 30 June 2018
Tim Jacobson	National Assistant Secretary	1 July 2017 to 30 June 2018
Craig McGregor	National Trustee	1 July 2017 to 30 June 2018
Rosemary Kelly	National Executive Member	1 July 2017 to 30 June 2018
Chris Panizza	National Executive Member	1 July 2017 to 30 June 2018
Jorge Navas	National Executive Member	1 July 2017 to 30 June 2018
Paul Healey	National Executive Member	1 July 2017 to 30 June 2018
Diana Asmar	National Executive Member	1 July 2017 to 30 June 2018
Andrew Hewat	National Executive Member	1 July 2017 to 30 June 2018
Lynne Russell	National Executive Member	29 May 2018 to 30 June 2018
Robbie Moore	National Executive Member	1 July 2017 to 30 June 2018

Signature of designated officer:

Name and title of designated officer:

Lloyd Williams, National Secretary

Dated: 12 DECEMBER 2018

## Health Services Union

### National Executive Statement

for the year ended 30 June 2018

On the 12<sup>th</sup> December 2018 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 2018:

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) where 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) where any 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.

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

Signature of designated officer:



Name and title of designated officer:

Lloyd Williams  
National Secretary

Dated: 12 DECEMBER 2018



**Health Services Union**  
**Statement Of Comprehensive Income**  
*for the year ended 30 June 2018*

	Notes	2018 \$	2017 \$
<b>Revenue</b>			
Membership subscriptions	3A	519,044	-
Capitation fees	3B	1,773,533	1,781,202
Levies	3C	-	-
Interest	3D	11,078	20,530
Other revenue	3E	616,776	653,204
<b>Total revenue</b>		<b>2,920,431</b>	<b>2,454,936</b>
<b>Other Income</b>			
Grants and/or donations	3F	25,583	-
Revenue from recovery of wages activity		-	-
<b>Total other income</b>		<b>25,583</b>	<b>-</b>
<b>Total income</b>		<b>2,946,014</b>	<b>2,454,936</b>
<b>Expenses</b>			
Employee expenses	4A	(927,521)	(637,123)
Capitation fees	4B	(24,265)	-
Affiliation fees	4C	(464,161)	(415,240)
Administration expenses	4D	(908,623)	(218,867)
Grants or donations	4E	(5,666)	(10,000)
Depreciation and amortisation	4F	(41,812)	(6,726)
Finance costs	4G	(21,183)	(9,944)
Legal costs	4H	(58,253)	(24,989)
Audit fees	14	(32,711)	(26,500)
Net losses from sale of assets	4I	-	(46,961)
Write-down and impairment of assets	4J	(29,999)	-
Other expenses	4K	(306,752)	(315,591)
<b>Total expenses</b>		<b>(2,820,946)</b>	<b>(1,711,941)</b>
<b>Surplus for the year</b>		<b>125,068</b>	<b>742,995</b>
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss		-	-
<b>Total comprehensive income for the year</b>		<b>125,068</b>	<b>742,995</b>

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

Health Services Union  
**Statement of Financial Position**  
as at 30 June 2018

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	1,151,386	668,728
Trade and other receivables	5B	374,257	417,099
<b>Total current assets</b>		<b>1,525,643</b>	<b>1,085,827</b>
<b>Non-Current Assets</b>			
Plant and equipment	6A	66,623	11,854
Buildings	6B	1,360,401	1,397,224
<b>Total non-current assets</b>		<b>1,427,024</b>	<b>1,409,078</b>
<b>Total assets</b>		<b>2,952,667</b>	<b>2,494,905</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	86,130	80,828
Other payables	7B	558,000	515,388
Borrowings	7C	77,428	72,421
Employee provisions	8A	265,528	166,130
<b>Total current liabilities</b>		<b>987,086</b>	<b>834,767</b>
<b>Non-Current Liabilities</b>			
Borrowings	9A	150,987	231,225
Employee provisions	8A	-	3,726
<b>Total non-current liabilities</b>		<b>150,987</b>	<b>234,951</b>
<b>Total liabilities</b>		<b>1,138,073</b>	<b>1,069,718</b>
<b>Net assets</b>		<b>1,814,594</b>	<b>1,425,187</b>
<b>EQUITY</b>			
Retained earnings		1,814,594	1,425,187
<b>Total equity</b>		<b>1,814,594</b>	<b>1,425,187</b>

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

**Health Services Union**  
**Statement of Changes In Equity**  
*for the year ended 30 June 2018*

	Notes	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2016</b>		682,192	682,192
Surplus for the year		742,995	742,995
<b>Closing balance as at 30 June 2017</b>		<b>1,425,187</b>	<b>1,425,187</b>
Transfer from SA Branch		264,339	264,339
Surplus for the year		125,068	125,068
<b>Closing balance as at 30 June 2018</b>		<b>1,814,594</b>	<b>1,814,594</b>

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

**Health Services Union**  
**Statement of Cash Flows**  
*for the year ended 30 June 2018*

	Notes	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Membership subscriptions		519,044	-
Receipts from other reporting units	11B	2,296,633	1,781,202
Interest		11,078	20,530
Other Income		221,660	474,526
<b>Cash used</b>			
Payments to employees & suppliers		(2,064,902)	(1,662,602)
Payments to other reporting units	11B	(788,387)	(47,025)
Interest		(16,946)	(9,944)
<b>Net cash from operating activities</b>	11A	<b>178,180</b>	<b>556,687</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash used</b>			
Purchase of plant and equipment	6A	(39,742)	(5,753)
Purchase of land and buildings	6B	-	(1,403,070)
<b>Net cash (used by) investing activities</b>		<b>(39,742)</b>	<b>(1,408,823)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from borrowings		-	910,000
<b>Cash used</b>			
Repayment of borrowings	7C	(75,231)	(606,354)
<b>Net cash (used by)/from financing activities</b>		<b>(75,231)</b>	<b>303,646</b>
<b>Net increase/(decrease) in cash held</b>		<b>63,207</b>	<b>(548,490)</b>
Cash & cash equivalents at the beginning of the reporting period		668,728	1,217,218
Cash acquired on absorption of SA Branch		419,451	-
<b>Cash &amp; cash equivalents at the end of the reporting period</b>		<b>1,151,386</b>	<b>668,728</b>

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

## **Health Services Union**

### **Notes to and Forming Part of the Financial Statements**

#### **Index to the Notes of the Financial Statements**

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## Note 1 Summary of significant accounting policies

### 1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Health Services Union is a not-for-profit entity.

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

### 1.2 Comparative amounts

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

### 1.3 Significant accounting judgements and estimates

There have not been any material accounting assumptions or estimates that have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

### 1.4 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except as follows:

#### Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on the Health Services Union include:

- AASB 9: Financial Instruments (December 2010) and associated Amending Standards (applicable for annual reporting periods commencing on or after 1 January 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, revised recognition and derecognition requirements for financial instruments, and simplified requirements for hedge accounting.

There is not expected to be any significant impact on the reported financial position and performance on the adoption of AASB 9.

**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.

There is not expected to be any significant impact on the reported financial position and performance on the adoption of AASB 15.

- 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 National Executive anticipate that the adoption of AASB 16 will impact the Union's financial statements, the impact is not expected to be significant.

## **1.5 Revenue**

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

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

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

### **1.5 Revenue (cont'd)**

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

Donation income is recognised when it is received.

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

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

### **1.6 Government grants**

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

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

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

### **1.7 Gains**

#### **Sale of assets**

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

### **1.8 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.

### **1.9 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.



**1.9 Employee benefits (cont'd)**

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. The Health Services Union 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.

**1.10 Leases**

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

**1.11 Borrowing costs**

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

**1.12 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 statement of financial position.

**1.13 Financial instruments**

Financial assets and financial liabilities are recognised when the 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.

**1.14 Financial assets**

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

### **Fair value through profit or loss**

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

A financial asset is classified as held for trading if:

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

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

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

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

### **Held-to-maturity investments**

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

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

## **Loan and receivables**

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

## **Effective interest method**

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

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

## **Impairment of financial assets**

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

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

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

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

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

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

### **Impairment of financial assets (cont'd)**

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.

### **1.15 Financial Liabilities**

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

#### **Fair value through profit or loss**

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

A financial liability is classified as held for trading if:

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

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

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

**1.15 Financial Liabilities (cont'd)**

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

**Other financial liabilities**

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

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

**Derecognition of financial liabilities**

The Health Services Union 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.

**1.16 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.

**1.17 Land, Buildings, Plant and Equipment**

**Asset Recognition Threshold**

Purchases of land, buildings, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

**Depreciation**

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	<b>2018</b>	<b>2017</b>
Leasehold Improvements	<b>3 years</b>	3 years
Plant and equipment	<b>2.5 to 10 years</b>	2.5 to 10 years
Buildings	<b>40 years</b>	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.

### **1.18 Impairment for non-financial assets**

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

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

### **1.19 Taxation**

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

Revenues, expenses and assets are recognised net of GST except: where the amount of GST incurred is not recoverable from the Australian Taxation Office; and for receivables and payables.

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

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

### **1.20 Going concern**

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

The Health Services Union 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 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Health Services Union.

**Note 3 Income**

**Note 3A: Membership subscriptions**

	2018	2017
	\$	\$
South Australia Branch	519,044	-
<b>Total membership subscriptions</b>	<b>519,044</b>	<b>-</b>

**Note 3B: Capitation fees**

New South Wales Branch	787,233	782,351
South Australia Branch	24,265	27,221
Tasmania Branch	174,008	181,864
Victoria No. 1 Branch	313,265	302,158
Victoria No. 2 Branch	181,482	183,562
Victoria No. 3 Branch	102,458	102,186
Victoria No. 4 Branch	55,173	60,876
Western Australia Branch	135,649	140,984
<b>Total capitation fees</b>	<b>1,773,533</b>	<b>1,781,202</b>

**Note 3C: Levies**

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

**Note 3D: Interest**

Deposits	11,078	20,530
<b>Total interest</b>	<b>11,078</b>	<b>20,530</b>

**Note 3E: Other Revenue**

Miscellaneous revenue from other branches	66,826	158,372
Affiliation fees	497,505	439,902
Other revenue	52,445	54,930
<b>Total other revenue</b>	<b>616,776</b>	<b>653,204</b>

**Note 3F: Grants or donations**

Grants	25,583	-
Donations	-	-
<b>Total grants or donations</b>	<b>25,583</b>	<b>-</b>

Health Services Union  
Notes of the Financial Statements for the year ended 30 June 2018

**Note 4 Expenses**

**Note 4A: Employee expenses**

	2018	2017
	\$	\$
<b>Holders of office:</b>		
Wages and salaries	235,387	195,415
Superannuation	22,372	18,398
Leave and other entitlements	(28,904)	19,352
Payroll tax	15,988	19,933
Separation and redundancies	98,598	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>343,441</b>	<b>253,098</b>
<b>Employees other than office holders:</b>		
Wages and salaries	495,290	294,067
Superannuation	49,495	27,565
Leave and other entitlements	11,990	33,428
Payroll tax	27,305	28,965
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<b>584,080</b>	<b>384,025</b>
<b>Total employee expenses</b>	<b>927,521</b>	<b>637,123</b>

**Note 4B: Capitation fees**

Capitation fees	24,265	-
<b>Total capitation fees</b>	<b>24,265</b>	<b>-</b>

**Note 4C: Affiliation fees**

ACTU Affiliation fees	463,120	415,240
ALP Affiliation fees	1,041	-
<b>Total affiliation fees/subscriptions</b>	<b>464,161</b>	<b>415,240</b>



**Health Services Union**  
**Notes of the Financial Statements for the year ended 30 June 2018**

**Note 4D: Administration expenses**

	2018	2017
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowances – meeting and conferences	-	-
Conference and meeting expenses	10,331	31,172
Staff & visitor amenities	1,366	459
Computer expenses	18,866	12,055
Electricity	4,236	984
Office relocation	-	16,016
Insurance	24,355	2,616
Campaign expenses	10,000	35
Sundry expenses	-	-
Staff training	1,524	2,706
Office expenses	111,239	9,945
Contractors/consultants	49,110	99,714
Car rental	222	198
Recruitment expenses	11,872	9,726
Distribution of surplus funds	636,364	-
<b>Subtotal administration expenses</b>	<b>879,485</b>	<b>185,626</b>
Operating lease rentals:		
Minimum lease payments	29,138	33,241
<b>Total administration expenses</b>	<b>908,623</b>	<b>218,867</b>

**Note 4E: Grants or donations**

Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	484	-
Total expensed that exceeded \$1,000	5,182	10,000
<b>Total grants or donations</b>	<b>5,666</b>	<b>10,000</b>

**Health Services Union**  
**Notes of the Financial Statements for the year ended 30 June 2018**

**Note 4F: Depreciation and amortisation**

	2018	2017
	\$	\$
Depreciation		
Property, plant and equipment	4,989	880
Building	36,823	5,846
<b>Total depreciation</b>	<b>41,812</b>	<b>6,726</b>

**Note 4G: Finance costs**

Interest expense	21,183	9,944
<b>Total finance costs</b>	<b>21,183</b>	<b>9,944</b>

**Note 4H: Legal costs**

Litigation	-	-
Industrial legal	37,632	14,790
Other legal matters	20,621	10,199
<b>Total legal costs</b>	<b>58,253</b>	<b>24,989</b>

**Note 4I: Net losses from sale of assets**

Net losses from sale of assets:		
Leasehold improvements	-	26,175
Plant and equipment	-	20,786
<b>Total net losses from sale of assets</b>	<b>-</b>	<b>46,961</b>

**Note 4J: Write-down and impairment of assets**

Asset write-downs and impairments of:		
Plant and equipment	29,999	-
<b>Total write-down and impairment of assets</b>	<b>29,999</b>	<b>-</b>

**Note 4K: Other expenses**

Penalties - via RO Act or the Fair Work Act 2009	-	-
Advertising	1,711	-
Fringe benefits tax	14,081	-
Workcover	10,763	7,906
Motor vehicle expense	3,020	-
Australia Tax Office	-	3,753
Travel and accommodation	245,289	242,792
CPD Implementation expense	31,888	61,140
<b>Total other expenses</b>	<b>306,752</b>	<b>315,591</b>

**Health Services Union**  
**Notes of the Financial Statements for the year ended 30 June 2018**

**Note 5 Current Assets**

**Note 5A: Cash and Cash Equivalents**

	2018	2017
	\$	\$
Cash at bank	1,091,386	608,728
Term deposits	60,000	60,000
<b>Total cash and cash equivalents</b>	<b>1,151,386</b>	<b>668,728</b>

**Note 5B: Trade and Other Receivables**

**Receivables from other reporting units**

	2018	2017
	\$	\$
New South Wales Branch	-	11,208
South Australia Branch	-	3,600
Tasmania Branch	55,958	75,572
Victoria No. 1 Branch	75,601	50,337
Victoria No. 2 Branch	63,028	72,339
Victoria No. 3 Branch	32,949	9,999
Victoria No. 4 Branch	18,580	21,269
Western Australia Branch	49,891	53,234
<b>Total receivables from other reporting units</b>	<b>296,007</b>	<b>297,558</b>

**Less provision for doubtful debts**

**Total provision for doubtful debts**

**Receivable from other reporting units (net)**

-	-
-	-
<b>296,007</b>	<b>297,558</b>

**Other receivables:**

GST receivable from the Australian Taxation Office	30,442	85,042
Other receivables	47,808	34,499
<b>Total other receivables</b>	<b>78,250</b>	<b>119,541</b>
<b>Total trade and other receivables (net)</b>	<b>374,257</b>	<b>417,099</b>

**Note 6 Non-current Assets**

**Note 6A: Plant and equipment**

Plant and equipment:

at cost	132,655	14,238
accumulated depreciation	(66,032)	(2,384)
<b>Total plant and equipment</b>	<b>66,623</b>	<b>11,854</b>

**Health Services Union**  
**Notes of the Financial Statements for the year ended 30 June 2018**

**Note 6B: Buildings**

	2018	2017
	\$	\$
Buildings:		
at cost	1,403,070	1,403,070
accumulated depreciation	(42,669)	(5,846)
<b>Total buildings</b>	<b>1,360,401</b>	<b>1,397,224</b>

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

	Leasehold Improvements \$	Plant and Equipment \$	Buildings \$	Total \$
<b>Balance as at 1 July 2017</b>	-	11,854	1,397,224	1,409,078
<b>Additions:</b>				
By purchase	-	39,742	-	39,742
Acquisition of SA Branch	-	50,015	-	50,015
Impairment	-	(29,999)	-	(29,999)
Depreciation	-	(4,989)	(36,823)	(41,812)
<b>Balance as at 30 June 2018</b>	-	<b>66,623</b>	<b>1,360,401</b>	<b>1,427,024</b>
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)
<b>Balance as at 30 June 2017</b>	-	<b>11,854</b>	<b>1,397,224</b>	<b>1,409,078</b>

**Note 7 Current Liabilities**

**Note 7A: Trade payables**

	2018	2017
	\$	\$
Trade creditors and accruals	47,518	72,809
<b>Subtotal trade creditors</b>	<b>47,518</b>	<b>72,809</b>

**Health Services Union**  
**Notes of the Financial Statements for the year ended 30 June 2018**

**Note 7A: Trade payables (Cont.)**

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

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
New South Wales Branch	13,719	2,476
Tasmania Branch	5,119	3,257
Victoria No.1 Branch	6,550	-
Victoria No.2 Branch	5,790	2,286
Victoria No.3 Branch	3,159	-
Victoria No.4 Branch	4,275	-
	<hr/>	<hr/>
<b>Subtotal payables to other reporting unit[s]</b>	<b>38,612</b>	<b>8,019</b>
<b>Total trade payables</b>	<b>86,130</b>	<b>80,828</b>

Settlement is usually made within 30 days.

**Note 7B: Other payables**

Wages and salaries	-	-
Superannuation	4,719	-
PAYG Withholding Tax	16,238	-
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal costs	7,000	-
Unearned revenue	530,043	515,388
<b>Total other payables</b>	<b>558,000</b>	<b>515,388</b>

Total other payables are expected to be settled in:

No more than 12 months	558,000	515,388
<b>Total other payables</b>	<b>558,000</b>	<b>515,388</b>

**Note 7C: Borrowings**

Loan for purchase of building:

No more than 12 months	77,428	72,421
	<b>77,428</b>	<b>72,421</b>

On 12 April 2017, the Health Services Union 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. From 15 May 2018 the interest rate was increased to 6.10%. The total remaining amount payable as at 30 June 2018 is \$228,415.

**Note 8 Provisions**

**Note 8A: Employee Provisions**

	2018	2017
	\$	\$
<b>Office Holders:</b>		
Annual leave and ADO	71,267	40,329
Long service leave	89,884	47,182
<b>Subtotal employee provisions—office holders</b>	<b>161,151</b>	<b>87,511</b>
<b>Employees other than office holders:</b>		
Annual leave and ADO	65,342	44,400
Long service leave	39,035	37,944
<b>Subtotal employee provisions—employees other than office holders</b>	<b>104,377</b>	<b>82,344</b>
<b>Total employee provisions</b>	<b>265,528</b>	<b>169,855</b>
Current	265,528	166,130
Non Current	-	3,725
<b>Total employee provisions</b>	<b>265,528</b>	<b>169,855</b>

**Note 9: Non-current Liabilities**

**Note 9A: Borrowings**

	2018	2017
	\$	\$
Loan for purchase of building:		
More than 12 months	150,987	231,225
	<b>150,987</b>	<b>231,225</b>

On 12 April 2017, the Health Services Union 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. From 15 May 2018 the interest rate was increased to 6.10%. The total remaining amount payable as at 30 June 2018 is \$228,415.

**Note 10 Equity**

**Note 10B: Other Specific disclosures - Funds**

**Compulsory levy/voluntary contribution fund – if invested in assets**

- -

**Other fund(s) required by rules**

**Balance as at start of year**

- -

Transferred to reserve

- -

Transferred out of reserve

- -

**Balance as at end of year**

- -

**Note 11 Cash Flow**

**Note 11A: Cash Flow Reconciliation**

	2018	2017
	\$	\$
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	1,151,386	668,728
Balance sheet	1,151,386	668,728
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of surplus to net cash from operating activities:</b>		
Surplus for the year	125,068	742,995
<b>Adjustments for non-cash items</b>		
Depreciation	41,812	6,726
Write-down and impairment of assets	29,999	-
Net losses from sale of assets	-	46,961
<b>Changes in assets/liabilities</b>		
Decrease/(increase) in trade and other receivables	55,913	(179,998)
Decrease in trade and other payables	(35,626)	(104,591)
(Decrease)/increase in employee provisions	(38,986)	44,594
<b>Net cash from operating activities</b>	<u><b>178,180</b></u>	<u><b>556,687</b></u>

**Note 11B: Cash flow information**

<b>Cash inflows</b>		
New South Wales Branch	1,023,934	782,351
South Australia Branch	34,671	27,221
Tasmania Branch	245,491	181,864
Victoria No. 1 Branch	380,229	302,158
Victoria No. 2 Branch	245,941	183,562
Victoria No. 3 Branch	109,527	102,186
Victoria No. 4 Branch	74,099	60,876
Western Australia Branch	182,741	140,984
<b>Total cash inflows</b>	<u><b>2,296,633</b></u>	<u><b>1,781,202</b></u>

**Health Services Union**  
**Notes of the Financial Statements for the year ended 30 June 2018**

**Note 11B: Cash flow information (Cont.)**

Cash outflows	2018	2017
	\$	\$
Australian Nursing & Midwifery Federation	1,573	2,284
New South Wales Branch	382,009	7,606
Tasmania Branch	93,918	12,223
Victoria No.1 Branch	81,038	-
Victoria No. 2 Branch	99,899	6,388
Victoria No. 3 Branch	43,714	5,106
Victoria No. 4 Branch	21,775	4,734
Western Australia Branch	64,461	8,684
<b>Total cash outflows</b>	<b>788,387</b>	<b>47,025</b>

**Note 12 Contingent Liabilities, Assets and Commitments**

**Note 12A: Commitments and Contingencies**

**Operating lease commitments—as lessee**

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

	2018	2017
	\$	\$
Within one year	20,272	-
After one year but not more than five years	1,437	-
After five years	-	-
	<b>21,709</b>	<b>-</b>

**Note 13 Related Party Disclosures**

**Note 13A: 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.

Date	Name	Nature of relationship	Purpose of payment	Amount	Other relevant details
1/7/2017 – 30/6/2018	Juanita Navas-Nguyen	Daughter (SA/NT) Branch Secretary	Wages – Casual Bookkeeper Superannuation	\$ 19,836 \$ 1,884	Employed by National Union to work in the SA/NT Branch



**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 2018, the Health Services Union has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: \$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 13B: Key Management Personnel Remuneration for the Reporting Period**

	2018	2017
	\$	\$
<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	223,839	195,415
Annual leave accrued	71,267	40,329
Performance bonus	-	-
<b>Total short-term employee benefits</b>	<u>295,106</u>	<u>235,744</u>
<b>Post-employment benefits:</b>		
Superannuation	21,221	18,398
<b>Total post-employment benefits</b>	<u>21,221</u>	<u>18,398</u>
<b>Other long-term benefits:</b>		
Long-service leave	89,884	-
<b>Total other long-term benefits</b>	<u>89,884</u>	<u>-</u>
<b>Termination benefits</b>	98,598	-
<b>Total termination benefits</b>	<u>98,598</u>	<u>-</u>

**Note 14 Remuneration of Auditors**

<b>Value of the services provided</b>		
Auditing the financial statements	19,500	17,147
Preparation of the financial statements	3,500	9,353
Other accounting services	9,711	-
<b>Total remuneration of auditors</b>	<u>32,711</u>	<u>26,500</u>

**Note 15 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.

**Health Services Union**  
**Notes of the Financial Statements for the year ended 30 June 2018**

**Credit Risk (Cont.)**

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net 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 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 might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The organisation manages this risk through the following mechanisms:

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

**Note 15A: Categories of Financial Instruments**

**Financial Assets**

	2018	2017
	\$	\$
Fair value through profit or loss:		
Cash and cash equivalents	1,151,386	668,728
Trade and other receivables	374,257	417,099
<b>Total</b>	<u>1,525,643</u>	<u>1,085,827</u>
<b>Carrying amount of financial assets</b>	<u><b>1,525,643</b></u>	<u><b>1,085,827</b></u>

**Financial Liabilities**

Borrowings	228,415	303,646
Trade and other payables	644,130	596,216
<b>Total</b>	<u><b>872,545</b></u>	<u><b>899,862</b></u>
<b>Carrying amount of financial liabilities</b>	<u><b>872,545</b></u>	<u><b>899,862</b></u>

**Note 15B: Financial Assets and Liabilities Fair Value Measurement**

	Carrying amount 2018 \$	Fair Value 2018 \$	Carrying amount 2017 \$	Fair Value 2017 \$
<b>Financial Assets</b>				
Cash and cash equivalents	1,151,386	1,151,386	668,728	668,728
Loans and receivables	374,257	374,257	417,099	417,099
<b>Total</b>	<u><b>1,525,643</b></u>	<u><b>1,525,643</b></u>	<u>1,085,827</u>	<u>1,085,827</u>
<b>Financial Liabilities</b>				
Borrowings	228,415	228,415	303,646	303,646
Trade and other payables	644,130	644,130	596,216	596,216
<b>Total</b>	<u><b>872,545</b></u>	<u><b>872,545</b></u>	<u>899,862</u>	<u>899,862</u>

**Note 15C: 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.

	2018	2017
	\$	\$
<b>Financial assets</b>		
Loans and receivables	374,257	417,099
<b>Total</b>	<u>374,257</u>	<u>417,099</u>
<b>Financial liabilities</b>		
Borrowings	228,415	303,646
Trade and other payables	644,130	596,216
<b>Total</b>	<u>872,545</u>	<u>899,862</u>

Currently the Health Services Union 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
	2018	2018	2017	2017
	\$	\$	\$	\$
Loans and receivables	344,465	29,792	416,689	410
<b>Total</b>	<u>344,465</u>	<u>29,792</u>	416,689	410

**Ageing of financial assets that were past due but not impaired for 2018**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade receivables	-	29,792	-	-	29,792
<b>Total</b>	-	<u>29,792</u>	-	-	<u>29,792</u>

**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
<b>Total</b>	-	<u>410</u>	-	-	<u>410</u>

**Health Services Union**  
**Notes of the Financial Statements for the year ended 30 June 2018**

**Note 15D: Liquidity risk**

Liquidity risk arises when the Health Services Union is unable to meet its financial obligations as they fall due. The Health Services Union 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 2018**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables	-	644,130	-	-	-	644,130
Borrowings	-	77,428	82,317	68,670	-	228,415
<b>Total</b>	<b>-</b>	<b>721,558</b>	<b>83,317</b>	<b>68,670</b>	<b>-</b>	<b>872,545</b>

**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
<b>Total</b>	<b>-</b>	<b>668,637</b>	<b>79,859</b>	<b>151,367</b>	<b>-</b>	<b>899,862</b>

**Note 15E: Market Risk**

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

**Note 15F: Changes in liabilities arising from financing activities**

	1 July 2017	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases / Borrowing	Other	30 June 2018
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing Borrowings	72,421	(72,421)	-	-	-	-	77,428	77,428
Non-current interest-bearing Borrowings	231,225	(2,810)	-	-	-	-	(77,428)	150,987
<b>Total liabilities from financing activities</b>	<b>303,646</b>	<b>(75,231)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>228,415</b>

**Note 15F: Changes in liabilities arising from financing activities (cont.)**

	1 July 2016	Cash flows	Reclassified as part of disposal group	Foreign exchange movement	Changes in fair values	New Leases / Borrowing	Other	30 June 2017
	\$	\$	\$	\$	\$	\$	\$	\$
Current interest-bearing borrowings	100,000	(100,000)	-	-	-	-	72,421	72,421
Non-current interest-bearing borrowings	-	(606,354)	-	-	-	910,000	(72,421)	231,225
Total liabilities from financing activities	100,000	(706,354)	-	-	-	910,000	-	303,646

**Note 16 South Australia Branch ceasing to be a reporting unit**

At the National Executive meeting on 13 July 2017 it was noted that the FWC had issued an s245 Certificate establishing a National Office Reporting Unit [NORU] which consisted of the National Union and the South Australia Branch. Rule alterations to give affect to this unit were certified on 6 July 2017.

The effect of the rule alteration provided that from 1 July 2018 the income, expenditure, assets, liabilities and accumulated funds of the South Australia Branch will be disclosed in the Health Services Union Financial Report. *On 17 October 2018 the Registered Organisations Commission issued a Certificate of Exemption (FR2018/159), exempting the SAINT Branch from the requirement to lodge a General Purpose Financial Report [as a stand alone reporting unit] for the 2017/2018 financial year; which effectively enables the NORU to include the SAINT Branch in the 2017/2018 General Purpose Financial Report.*

Health Services Union  
Notes of the Financial Statements for the year ended 30 June 2018

Disclosures to members required by rules 85-88

Note 17 Disclosures to members

Disclosure of Remuneration and Non-Cash Benefits by Officers - financial year ending 30 June 2018

Branch	Name of Office Holder	Name of Office	Item	Amount	Payment by	Payment to
Victoria No 2 Branch	Lloyd Williams	Secretary	Director's fees	██████	H.E.S.T Australia Ltd	Health Services Union Victoria No 2 Branch
Victoria No 2 Branch	Lloyd Williams	Secretary	Mandatory Superannuation	██████	H.E.S.T Australia Ltd	Mr. Williams' superannuation account
Victoria No 2 Branch	Lloyd Williams	Secretary	Director's fees	██████	IFM Investors	Health Services Union Victoria No 2 Branch
Victoria No 2 Branch	Lloyd Williams	Secretary	Mandatory Superannuation	██████	IFM Investors	Mr. Williams' superannuation account
Victoria No 4 Branch	Rosemary Kelly	Assistant Secretary	Director's fees	██████	First State Super Trustee Corporation	Medical Scientists Association of Victoria, which is a component Association of the Health Services Union Victoria No 4 Branch
Victoria No 4 Branch	Rosemary Kelly	Assistant Secretary	Mandatory Superannuation	██████	First State Super Trustee Corporation	Dr. Kelly's superannuation account

**Health Services Union**

**Notes of the Financial Statements for the year ended 30 June 2018**

**Remuneration paid to (the highest paid) officers - financial year ending 30 June 2018**

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
National Union	National Secretary	Chris Brown	Wages (inc. superannuation)	Payment	██████	Health Services Union
National Union	SA/NT Branch Secretary Member National Executive National Councillor	Jorge Navas	Wages (inc. superannuation)	Payment	██████	Health Services Union
			Private use of motor vehicle	Non-cash payment	██████	Health Services Union
National Union	SA/NT Assistant Branch Secretary	Tom Di Santo	Wages (inc. superannuation)	Payment	██████	Health Services Union

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
New South Wales Branch	Branch Secretary Member National Executive National Councillor	Gerard Hayes	Wages (incl. superannuation)	Payment	██████	Health Services Union NSW (State Registered)
			Private use of motor vehicle	Non-cash payment	██████	Health Services Union NSW (State Registered)
New South Wales Branch	Branch Assistant Secretary/Treasurer National Councillor	Andrew Lillycrap	Wages (incl. superannuation)	Payment	██████	Health Services Union NSW (State Registered)
			Private use of motor vehicle	Non-cash payment	██████	Health Services Union NSW (State Registered)
New South Wales Branch	Branch Senior Vice President National Councillor	Leanne Burns	Wages [HSU Organiser] (incl. superannuation)	Payment	██████	Health Services Union NSW (State Registered)
New South Wales Branch	Branch Junior Vice President National Councillor	Lindy Twyford	Honorarium	Payment	██████	Health Services Union NSW (State Registered)
New South Wales Branch	Branch Assistant Secretary/Treasurer Member of Union Committee National Councillor	Lynne Russell	Wages (incl. superannuation)	Payment	██████	Health Services Union NSW (State Registered)

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
Tasmania Branch	Branch Secretary National Assistant Secretary	Tim Jacobson	Wages (inc. superannuation)	Payment	██████	Tasmania Branch
			Private use of motor vehicle	Non-cash payment	██████	Tasmania Branch
			Other – allowances	Payment	██████	Tasmania Branch

**Health Services Union**

**Notes of the Financial Statements for the year ended 30 June 2018**

Tasmania Branch	Branch Assistant Secretary Member National Executive National Councillor	Robbie Moore	Wages (inc. superannuation)	Payment	██████	Tasmania Branch
			Private use of motor vehicle	Non-cash payment	██████	Tasmania Branch
			Other – allowances	Payment	██████	Tasmania Branch
Tasmania Branch	Branch Senior Vice President National Councillor HACSU Holiday Homes Co-ordinator	Chris Webb	Wages (inc. superannuation)	Payment	██████	Tasmania Branch
			Other – allowances	Payment	██████	Tasmania Branch

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
Victoria No.1 Branch	Branch Secretary Member National Executive National Councillor	Diana Asmar	Wages (inc. superannuation)	Payment	██████	Victoria No.1 Branch
Victoria No.1 Branch	Branch Assistant Secretary National Councillor	David Eden	Wages (inc. superannuation)	Payment	██████	Victoria No.1 Branch
Victoria No.1 Branch	Senior Vice President	Lee Atkinson	Wages (inc. superannuation)	Payment	██████	Victoria No.1 Branch
Victoria No.1 Branch	National Councillor	Steve Mitchell	Wages (inc. superannuation)	Payment	██████	Victoria No.1 Branch
Victoria No.1 Branch	President	Rhonda Barclay	Wages (inc. superannuation)	Payment	██████	Victoria No.1 Branch
Victoria No.1 Branch	Branch Delegate to National Council	Timothy Rowley	Wages (inc. superannuation)	Payment	██████	Victoria No.1 Branch

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
Victoria No 2 Branch	Branch President National Councillor	Debbie Gunn	Wages (inc. superannuation)	Payment	██████	Victoria No.2 Branch



**Health Services Union**

**Notes of the Financial Statements for the year ended 30 June 2018**

<b>Victoria No 2 Branch</b>	Branch Secretary National President	Lloyd Williams	Mandatory Superannuation. Paid to Officer in his capacity as a HSU nominated Director.	Payment	██████	HESTA
			Mandatory Superannuation. Paid to Officer in his capacity as a HSU nominated Director.	Payment	██████	HESTA / IFM
			Wages (inc. superannuation)	Payment	██████	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non-Cash Payment	██████	Victoria No.2 Branch
<b>Victoria No 2 Branch</b>	Branch Assistant Secretary Member National Executive National Councillor	Paul Healey	Wages (incl superannuation)	Payment	██████	Victoria No.2 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non-Cash Payment	██████	Victoria No.2 Branch

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
<b>Victoria No 3 Branch</b>	Branch Secretary National Trustee	Craig McGregor	Wages (inc. superannuation)	Payment	██████	Victoria No.3 Branch
			Private use of Union Supplied Motor Vehicle - Employment entitlement	Non-cash payment	██████	Victoria No.3 Branch
<b>Victoria No 3 Branch</b>	Branch Assistant Secretary Member National Executive National Councillor	Andrew Hewat	Wages (inc. superannuation)	Payment	██████	Victoria No.3 Branch

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
<b>Victoria No 4 Branch</b>	Branch Secretary National Trustee	Paul Elliott	Wages (inc superannuation)	Payment	██████	Medical Scientist Association of Victoria
			Other – allowances	Payment	██████	Medical Scientist Association of Victoria
<b>Victoria No 4 Branch</b>	Branch Assistant Secretary Member of National Executive National Councillor	Rosemary Kelly	Wages (inc superannuation)	Payment	██████	Medical Scientist Association of Victoria
			Other – allowances	Payment	██████	Medical Scientist Association of Victoria
			Mandatory Superannuation. Paid to Officer in her capacity as a HSU nominated Director.	Payment	██████	First State Super Trustee Corporation

**Health Services Union**  
**Notes of the Financial Statements for the year ended 30 June 2018**

Branch	Name of Office	Name of Office Holder	item	Payment or non-cash benefit	Amount	Payment by
Western Australia	Branch Secretary Senior National Vice President	Dan Hill	Wages (inc. superannuation)	Payment	██████	Health Services Union of WA (Union of Workers)
			Private use of motor vehicle	Non-cash payment	██████	Health Services Union of WA (Union of Workers)
Western Australia	Assistant Branch Secretary Member National Executive National Councillor	Chris Panizza	Wages (inc. superannuation)	Payment	██████	Health Services Union of WA (Union of Workers)
			Private use of motor vehicle	Non-cash payment	██████	Health Services Union of WA (Union of Workers)

**Note 17: Disclosures to members required by rules 85-88**

**Disclosure of material personal interests - financial year ending 30 June 2018**

<b>Office</b>	<b>Name</b>	<b>Nature &amp; extent of the interest</b>	<b>Relation of the interest to the affairs of the union</b>
Secretary Tas Branch Assistant National Secretary Member of National Executive Member of National Council	Tim Jacobson	Tammy Munro, Wife	Employed by the Tasmania Branch as a Lead Organiser
Secretary Tas Branch Assistant National Secretary Member of National Executive Member of National Council	Tim Jacobson	Directorship of associated entity	Director of 71 Elphin Rd Pty Ltd, a trust company which holds property on behalf of the Tasmania Branch
Secretary SA/NT Branch Member of National Executive Member of National Council	Jorge Navas	Juanita Navas-Nguyen, Daughter	Employed as a casual bookkeeper by the National Union to work at the SA/NT Branch

**Disclosure of Payments - financial year ending 30 June 2018**

In the financial year ended 30 June 2018 the Health Services Union redistributed surplus funds to the Branches on a per capita basis as follows (excluding GST): New South Wales Branch: \$282,451; Tasmania Branch \$62,432; Victoria No. 1 Branch \$112,443; Victoria No. 2 Branch \$65,105; Victoria No. 3 Branch \$36,761; Victoria No. 4 Branch \$19,795 and Western Australia Branch \$48,670.

**Note 18 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).

## Officer Declaration Statement

I, Lloyd Williams, being the National Secretary of the Health Services Union, declare that the following activities did not occur during the reporting period ending 30 June 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue via compulsory levies
- receive donations
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees to another reporting unit
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signature of designated officer:



Name and title of designated officer: Lloyd Williams  
National Secretary

Dated: 12 DECEMBER 2018