



FAIR WORK
AUSTRALIA

29 March 2011

Mr Michael Williamson
General Secretary
HSU East Branch
Level 2
109 Pitt Street
SYDNEY NSW 2000

Dear Mr Williamson,

**Financial reports for the year ended 24 May 2010
New South Wales Branch - FR2010/2725**

I acknowledge receipt of the financial report for the Health Services Union - New South Wales Branch for the year ended 24 May 2010. The documents were lodged with Fair Work Australia on 24 December 2010.

Subsequent to correspondence from this office, I acknowledge receipt of supplementary documents on 10 February 2011 which included a section 268 Certificate. I acknowledge receipt of information regarding the concise report provided to members on 7 March 2011.

On 10 March 2011 this office raised concerns with the organisation about the provision of a concise report to members. I acknowledge receipt on 18 March 2011 of an amended s.268 Certificate which states that a full report was provided to members on 16 March 2011.

The financial report has now been filed.

I have attached an addendum for your consideration in which I make comments with regard to the financial report. Whilst it is acknowledged that the New South Wales Branch will no longer be preparing financial reports due to the merger on 24 May 2010 with the Victoria No.1 and Victoria No.3 Branches of the HSU, it is important that comments made in the addendum are noted.

Should you wish to discuss the matters raised in this letter or if you require further information on the financial reporting requirements of the *Fair Work (Registered Organisations) Act 2009*, please contact me the details below.

Yours sincerely,

Erin Bulluss
Tribunal Services and Organisations
Fair Work Australia
Tel: (03) 8661 7775
Email: erin.bulluss@fwa.gov.au

11 Exhibition Street Telephone: (03) 8661 7777
Melbourne VIC 3000 International: (613) 8661 7777
GPO Box 1994 Facsimile: (03) 9655 0401
Melbourne VIC 3001 Email: melbourne@fwa.gov.au

Addendum to the Financial Reports for the Health Services Union - New South Wales Branch for the year ended 24 May 2010 (FR2010/2725)

The following comments are raised for your information and action when preparing any financial reports for lodging with FWA.

Timescale Requirements:

I have examined the financial documents, and it appears that the reporting unit has failed to comply with a number of legislated dates for financial reporting. I understand that the specific circumstances with regards to the preparation of these financial documents, namely the merger of the Victoria No.1 and Victoria No.3 Branches with the New South Wales Branch, has impacted on the ability of the Branch to adhere to the requirements. Nonetheless, I draw your attention to a number of matters in the present report which must be taken into account in future years to achieve compliance with the *Fair Work (Registered Organisations) Act 2009* (the RO Act); particularly given that a number of the sections identified are civil penalty provisions - see [s.305](#) of the RO Act.

Documents must be lodged with Fair Work Australia within 14 days of Meeting

The Designated Officers Certificate lodged under [s.268](#) of the RO Act notes that the financial documents were presented to a Committee of Management meeting on 19 November 2010. These documents were not lodged with Fair Work Australia until 24 December 2010.

[Section 268](#) of the RO Act stipulates that documents must be lodged with Fair Work Australia within 14 days of the meeting at which they are presented. Please ensure that in future financial years, the financial documents are lodged within the 14 day requirement.

Reports must be provided to Members within 5 months of end of financial year where report is presented before Committee of Management meeting

The Designated Officers Certificate lodged under [s.268](#) states that the full report was presented to a meeting of the Committee of Management of the Branch on 19 November 2010.

Where the full report is presented to a committee of management meeting, it must be first provided to members within 5 months of the end of the financial year - see subsection [265\(5\)\(b\)](#) of the RO Act.

It is noted that this did not occur within the timeframe. Members were not provided with the concise financial report until 4 February 2011. In future years, please ensure that where a report is presented before a Committee of Management meeting, members are provided with copies of the full or concise report within 5 months of the end of the financial year of the Branch.

Committee of Management Statement must be audited

The Committee of Management Statement lodged with the financial report was dated 4 February 2011, which is after the statements were audited (on 16 November 2010). [Section 257\(1\)](#) of the RO Act requires the full report, which includes the Committee of Management Statement, to be audited. Please ensure for future years that the audited accounts include the Committee of Management Statement.

Recognition of revenue

[Section 252](#) of the RO Act places obligations upon organisations to **keep** financial records. Under [section 252\(4\)](#) an organisation may **keep** the financial records for its membership subscriptions on a **cash** basis.

This is distinct from the obligation under [section 253](#) to **prepare** a general purpose financial report (GPFR). [Section 253](#) requires that '...a reporting unit must cause a general purpose financial report to be **prepared**, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...' (my emphasis).

Paragraph 27 of AASB 101 states that 'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting'.

When read together [sections 252](#) and [253](#) of the RO Act require that, while some financial records may be **kept** on a cash basis, a GPFR must be **prepared** on an accrual basis whether or not records were kept on a cash or accrual basis.

Note 1(b) to the financial statements states that '[m]embership contributions are accounted for on a cash basis, otherwise the concept of accruals accounting has been adopted in the preparation of these accounts'.

This appears to indicate that the subscriptions have been reported in the financial statements on a **cash** basis. In future the GPFR should be prepared on an **accrual** basis. It is further noted that this will result in a change of accounting policy that will need to be disclosed in accordance with AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors). You may need to discuss this with your auditor.

Operating report - period of office

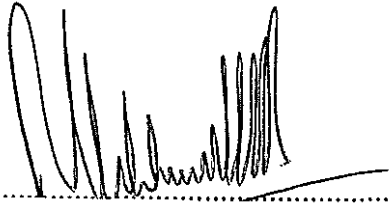
[Regulation 159\(c\)](#) of the Regulations provides that the Operating Report should contain the name of each person who has been a member of the Committee of Management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position.

I note the Operating Report does not fully comply with this requirement. In future years, please ensure that the period for which each person held their respective position is noted in the Operating Report.

SECTION 268 CERTIFICATE

I, Michael Williamson, General Secretary of the Health Services Union of Australia, New South Wales Branch certify:

- That the documents lodged herewith for the period ended 24th May 2010 are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 16th March 2011 via our website; and
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 19th November 2010, in accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009.



.....
General Secretary – Michael Williamson

18/3/11
.....

Date



FAIR WORK
AUSTRALIA

10 March 2011

Mr Michael Williamson
General Secretary
HSU East Branch
Level 2
109 Pitt Street
SYDNEY NSW 2000

Dear Mr Williamson,

Financial reports for the year ended 24 May 2010

Victoria No.3 Branch - FR2010/2719

New South Wales Branch - FR2010/2725

I acknowledge receipt of the financial reports of the Health Services Union - Victoria No.3 Branch and New South Wales Branch for the year ended 24 May 2010. The documents were lodged with Fair Work Australia on 24 December 2010.

Regarding Victoria No.3 Branch, I acknowledge receipt of supplementary documents on 10 February 2011, which included s.268 Certificate, Committee of Management Statement and Operating Report for the Branch. I acknowledge receipt of information regarding the concise report provided to members on 7 March 2011.

Regarding New South Wales Branch, I acknowledge receipt of a supplementary document on 10 February 2011 which included a section 268 Certificate. I acknowledge receipt of information regarding the concise report provided to members on 7 March 2011.

The financial report has not been filed.

I have examined the financial report and have identified a number of matters with regards to the provision of a concise report to members of both Branches, the details of which are set out below. These matters must be attended to before the financial reports can be filed.

HSU provision of concise reports

The Designated Officers Certificate lodged in accordance with [section 268](#) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) notes that a concise report was provided to members on 4 February 2011.

In correspondence received from your office on 7 March 2011, I was directed to the HSU East website (www.hsueast.com) to find copies of the concise reports for the Victoria No.3 and New South Wales Branches of the HSU, as provided to members.

I searched the website, and located financial documents via the "About Us" tab on the HSU East home page.

The concise report provided to members of the New South Wales Branch consisted of

- a statement of comprehensive income;
- a statement of financial position; and
- a statement of changes in accumulated funds.

The concise report provided to members of the Victoria No.3 Branch consisted of;

- an Income Statement;
- Balance Sheet; and
- Statement of Changes in Equity.

Requirements of concise reports

The provision of a concise report to members is governed by [section 265](#) of the *Fair Work (Registered Organisations) Act 2009* (the Act) and [regulation 161](#) of the *Fair Work (Registered Organisations) Regulations 2009* (the Regulations).

Where a concise report is provided to members, [section 265\(3\)](#) requires that the report consist of:

- a) a concise financial report for the year drawn up in accordance with the regulations; and
- b) the operating report for the year; and
- c) a statement by the auditor:
 - i. that the concise financial report has been audited; and
 - ii. whether, in the auditor's opinion, the concise financial report complies with the relevant Australian Accounting Standards; and
- d) a copy of anything included under subsection 257(5), (6) or (7) in the auditor's report on the full report; and
- e) a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them.

[Regulation 161](#) of the *Fair Work (Registered Organisations) Regulations 2009* (the Regulations) stipulates disclosures which must be contained within concise reports. [Regulation 161](#) states that a concise financial report **must** include:

- a) the following financial statements presented as in the full report except for the omission of cross-references to notes to the financial statements in the full report:
 - i. a profit and loss statement for the financial year;
 - ii. a balance sheet for the end of the financial year;
 - iii. a statement of cash flows for the financial year; and
- b) disclosure of information for the preceding financial year corresponding to the disclosures made for the current financial year; and
- c) discussion and analysis of the principle factors affecting the financial performance, financial position and financial and investing activities of the reporting unit to assist the understanding of members; and
- d) any reports or statements mentioned in paragraph 253(2)(c) of the Act; and
- e) in addition to the statement required by paragraph 265(3)(e) of the Act, a statement that the concise report has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report; and
- f) the notice mentioned in subsection 272(5) of the Act.

The Branch has not complied with the requirements of [section 265\(3\)](#) or [regulation 161](#). These are breaches of the RO Act which can attract civil penalties (see [s.305](#)).

Recommended action

There are two actions which could be taken by the organisation to rectify the issues identified with the provision of a concise report to members.

Amend concise report and provide to members

Firstly, both Branches can undertake to amend the concise reports as provided to members to ensure compliance with the Act and Regulations.

The amended concise report would then need to be provided to members, and a new Designated Officers Certificate under [section 268](#) provided outlining the date at which members were provided with the amended concise report.

Provide full report to members as lodged

It should be noted that the provision of a concise report to members is not a mandatory requirement under the RO Act or Regulations. The Branches can provide the full report to members as lodged with Fair Work Australia on 24 December 2010. The additional documents requested by Fair Work Australia, including s.268 Certificate, Committee of Management Statement and Operating Report must be included in the provision of the financial documents to members.

If a full report is provided to members, a new Designated Officers Certificate under [section 268](#), outlining the date at which members were provided with the full report would need to be produced.

Please contact me if you have any queries in relation to this correspondence.

Yours sincerely,



Erin Bulluss
Tribunal Services and Organisations
Fair Work Australia
Tel: (03) 8661 7775
Email: erin.bulluss@fwa.gov.au

BULLUSS, Erin

From: Barry Gibson [barry.gibson@hsueast.com]
Sent: Monday, 7 March 2011 8:41 AM
To: BULLUSS, Erin
Cc: Michael Williamson
Subject: 24th may financials concise reports

Erin ,please refer our website for the concise reports provide to our members posted on site 4th February.

Thanks



Barry Gibson
Chief Financial Controller
Health Services Union east
Level 2, 109 Pitt Street
Sydney NSW 2000
ph:1300 478 679 fax:1300 329 478
mob: [REDACTED]
email: barry.gibson@hsueast.com
website: www.hsueast.com

 Please consider the environment before printing this email

BULLUSS, Erin

From: BULLUSS, Erin
Sent: Friday, 4 March 2011 4:32 PM
To: 'satya.champness@hsueast.com'
Subject: Financial reports for the period ended 24 May 2010

Dear Mr Williamson,

I am in receipt of the financial records lodged with Fair Work Australia for the period ended 24 May 2010, for the New South Wales (FR2010/2725) and Victoria No.3 (FR2010/2719) Branches of the HSU.

The section 268 certificate lodged on 10 February 2011 with regard to both these financial documents states that “the concise report was provided to members on 4 February 2011”.

Section 268 of the *Fair Work (Registered Organisations) Act 2009* outlines the financial documents which must be lodged with Fair Work Australia. These documents include;

“(b) if a concise report was provide to members – a copy of the concise report;”

I am unable to file the financial documents until a copy of the concise reports provided to members of the New South Wales and Victoria No.3 Branches have been received.

Please contact me if you have any queries or wish to discuss the matter further.

Kind regards,

ERIN BULLUSS

Tribunal Services and Organisations

Fair Work Australia

Tel: 03 8661 7775

Fax: 03 9655 0410

erin.bulluss@fwa.gov.au

11 Exhibition Street, Melbourne Victoria 3000

GPO Box 1994, Melbourne Victoria 3001

www.fwa.gov.au

9 February 2011



Ailsa Carruthers
Team Manager
Tribunal Services and Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001



HSU east
ABN 93 728 534 595

Sydney
Level 2, 109 Pitt Street
Sydney NSW 2000
Email: info@hsueast.com

Melbourne
208 - 212 Park Street
South Melbourne Vic 3205
Email: info@hsueast.com

Tel: 1300 478 679
Fax: 1300 329 478
Web: www.hsueast.com
E-mail: info@hsueast.com

Dear Ailsa,

Financial Reports for the period ended 24 May 2010 – FR2010/2725, FR2010/2721, FR2010/2719

Following on from your correspondence dated 7 January 2011 please find enclosed the documentation detailed below:

- Section 268 Certificates for the New South Wales Branch, Victoria No. 1 Branch and Victoria No. 3 Branch;
- Committee of Management Statements for Victoria No. 1 Branch and Victoria No. 3 Branch; and
- Operating Reports for Victoria No. 1 Branch and Victoria No. 3 Branch.

As covered in our conversation on 1 February 2011 the donations totalling \$6,741 made by Victoria No. 3 Branch do not include any amounts that require lodgement of a Statement of loans, grants and donations.

Please feel free to contact me on (02) 9229 4909 if you require any further information.

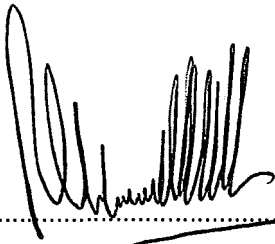
Yours sincerely
Health Services Union East Branch

Michael Williamson
General Secretary

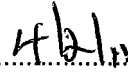
SECTION 268 CERTIFICATE

I, Michael Williamson, General Secretary of the Health Services Union of Australia, New South Wales Branch certify:

- That the documents lodged herewith for the period ended 24 May 2010 are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- That the concise report was provided to members on 4 February 2011; and
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 19 November 2010, in accordance with s266 of the Fair Work (Registered Organisations) Act 2009.



General Secretary – Michael Williamson



Date



FAIR WORK
AUSTRALIA

7 January 2011

Mr Michael Williamson
General Secretary
HSU East Branch
Health Services Union
Level 2
109 Pitt Street
SYDNEY NSW 2000

Dear Mr Williamson,

Financial reports for the year ended 30th June 2010
New South Wales Branch – FR2010/2725
Victoria No.1 Branch - FR2010/2721
Victoria No.3 Branch - FR2010/2719

Receipt is acknowledged on 24 December 2010 of financial reports for the period 1 July 2010 to 24 May 2010 for the New South Wales Branch, the Victoria No.1 Branch and the Victoria No.3 Branch of the Health Services Union (**HSU**). The financial reports concern the financial year ended 30 June 2010 but relate to the period ending on 24 May 2010 due to an alteration to rules of the HSU was that signed on 24 May 2010. On that date the Victoria No.1 Branch and the Victoria No.3 Branch merged with the New South Wales Branch to create the HSU East Branch.

None of the financial reports is able to be processed by Fair Work Australia (**FWA**) due to lack of documentation in each of the reports:

1. None of the financial reports includes a certificate that is required to be lodged under paragraph (c) of section 268 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act**). The certificate must state that the documents that are lodged are copies of the documents that were provided to members in accordance with the requirements of section 265 of the RO Act and presented to a meeting in accordance with the requirements of section 266 of the RO Act. The certificate must be signed by a designated officer, which is defined in regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* (**RO Regulations**) as being either the secretary or an officer of the organisation other than the secretary who is authorised by the organisation or by the rules to sign the certificate.

As no certificates have been lodged under section 268, it is not clear from the documentation that has been lodged whether any or all of the financial reports have been provided to members as required by section 265 of the RO Act or presented to a meeting as required by section 266 of the RO Act.

An example of a certificate prepared under section 268 is attached for your assistance.

2. The following documents are also missing from financial reports lodged for both the Victoria No.1 Branch and the Victoria No.3 Branch:
 - 2.1 A committee of management statement prepared under paragraphs 24 to 26 of the Reporting Guidelines that were issued by the Industrial Registrar on 12 October 2004. A copy of the Guidelines is available on the FWA website at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> .
 - 2.2 An operating report that has been prepared under section 254 of the RO Act and regulation 159 of the RO Regulations.
3. The financial report for the Victoria No.3 Branch discloses donations totalling \$6,741 that were made by the Branch in the period to 24 May 2010. Our records do not, however, show that either the organisation or the branch has lodged a statement of loans, grants and donations under section 237 of the RO Act. Subsection 237(1) requires HSU to lodge a statement within 90 days of the end of the financial year (that is, by 28 September 2010) setting out the relevant particulars in relation to each loan, grant or donation *of an amount exceeding \$1,000* made during the financial year.

Should any of the amounts included in the \$6,741 exceed the \$1,000 threshold, you are required to lodge a statement of loans, grants and donations without delay. A pro-forma statement is included for your assistance

I note that verbal advice was given by Andrew Schultz of this office to Mr David Langmead of counsel on 5 November 2010 regarding preparation of financial reports for the New South Wales, Victoria No.1 and Victoria No.3 Branches for the period to 24 May 2010. In that conversation Mr Langmead was advised that:

- it is appropriate for you, as general secretary of the HSU East Branch, to sign each of the certificates under section 268, each of the operating reports and each of the committee of management statements;
- the requirements of section 265 of the RO Act regarding provision of copies of the reports to members could be met by placing the financial reports of the New South Wales Branch, the Victoria No.1 Branch and Victoria No.3 Branch on the HSU East Branch website; and
- the requirements of section 266 of the RO Act regarding presentation of financial reports of the New South Wales Branch, the Victoria No.1 Branch and Victoria No.3 Branch to either a meeting of members or a meeting of the committee of management could be met by presenting the reports to a meeting of the committee of management of the HSU East Branch, given the terms of rule 69(b) of the HSU Rules.

Action that is now sought

You are now requested to:

1. if you have not already done so, prepare an operating report and committee of management statement for each of the Victoria No.1 and Victoria No.3 Branches;
2. if you have not already done so, provide copies of the 'full report' (as set out in paragraph 265(1)(a) of the RO Act) to members of the New South Wales Branch, the Victoria No.1 Branch and Victoria No.3 Branch. This could be achieved by posting the full reports to the HSU East Branch website and including a notice on the website that a copy of the reports can be obtained from the Branch by members who are not able to access the reports electronically. I have not been able to find copies of any of the financial reports on the HSU East Branch website but it is possible that they are posted in that part of the website that is only accessible to members;

3. if you have not already done so, present the financial reports of the New South Wales Branch, the Victoria No.1 Branch and Victoria No.3 Branch to a meeting of members or of the committee of management as required by section 266 of the RO Act. This could be achieved by presenting the reports to a meeting of the committee of management of the HSU East Branch; and
4. lodge with FWA:
 - a. New South Wales Branch: a certificate prepared under section 268;
 - b. Victoria No.1 Branch:
 - i. committee of management statement;
 - ii. operating report; and
 - iii. certificate under section 268.
 - c. Victoria No.3 Branch:
 - i. committee of management statement;
 - ii. operating report;
 - iii. certificate under section 268; and
 - iv. statement of loans, grants and donations prepared under section 237 of the RO Act if any of the donations exceeds the \$1,000 threshold.

Once the outstanding documentation has been received by FWA the financial reports will be examined in detail for compliance with the requirements of the RO Act, RO Regulations and Reporting Guidelines.

If you have any queries, please contact me on (03) 8661 7767 or at ailsa.carruthers@fwa.gov.au. Please note that I will be on annual leave for the next two weeks but will return to the office on Monday, 24 January 2011.

Yours sincerely,



Ailsa Carruthers
Team Manager
Tribunal Services and Organisations

Sample Designated Officer's Certificate or other Authorised Officer¹

s268 *Fair Work (Registered Organisations) Act 2009*

I *[name]* being the *[title of office]* of the *[name of the organisation]* certify:

- that the documents lodged herewith are copies of the full report, *[and the concise report]²*, referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *[full report **OR** concise report]³*, was provided to members on *[insert date]*; and
- that the full report was presented to *[a general meeting of members **OR** a meeting of the committee of management]³* of the reporting unit on *[insert date]*; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature

Date:

¹*The relevant regulations prescribe the designated officer for the purpose of s268 of the Fair Work (Registered Organisations) Act 2009 as:*

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²*Only applicable where a concise report is provided to members*

³*Insert whichever is applicable*

Statement of loans, grants and donations exceeding \$1,000 for financial year ending / /

Please refer to s.237 of the *Fair Work (Registered Organisations) Act 2009* when completing this form. This statement when lodged with Fair Work Australia may only be viewed by a member of the organisation.

Note: This statement must be signed by an elected officer.

Name of organisation including division or branch

Postal Address

	Postcode

Name of elected officer completing this statement:

Office held by the elected officer completing this statement:

Postal address of elected officer completing this statement:

	Postcode

Telephone number (BH)

Facsimile number

Email

I certify that the information contained in this statement and its attachments is true and complete.

Signature of elected officer

Date

An organisation must lodge this statement within 90 days of the end of its financial year.

LOANS, GRANTS AND DONATIONS EXCEEDING \$1,000 MADE BY ORGANISATION
 (if insufficient space, please attach separate sheet)

LOANS

Name of Recipient of Loan	Address of recipient of Loan	Amount	Purpose for which loan required	Security given in relation to loan	Arrangements for repayment of loan

Note: where a loan is made to relieve a member or a dependant of a member from severe financial hardship, the name and address of the recipient of the loan and the particulars of the arrangements for the repayment of the loan need not be stated.

GRANTS

Name of Recipient of Grant	Address of recipient of Grant	Amount	Purpose of Grant

Note: where a grant is made to relieve a member or a dependant of a member from severe financial hardship, the name and address of the recipient of the grant need not be stated.

DONATIONS

Name of Recipient of Donation	Address of recipient of Donation	Amount	Purpose of Donation

Note: where a donation is made to relieve a member or a dependant of a member from severe financial hardship, the name and address of the recipient of the donation need not be stated.

21 December 2010

The General Manager
Fair Work Australia
Level 4
11 Exhibition Street
MELBOURNE VIC 3000

Dear Sir/Madam,

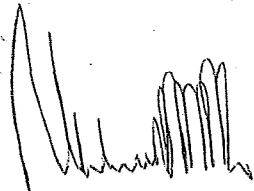
RE: Lodgement of Financial Statements

Please find enclosed financial statements for the period ended 24 May 2010 for the following:

- Health Services Union - New South Wales Branch;
- Health Services Union - Victoria No. 1 Branch; and
- Health Services Union - Victoria No. 3 Branch.

If you require any further information please contact me on (02) 9229 4909.

Yours sincerely
HSU East Branch


Michael Williamson
General Secretary

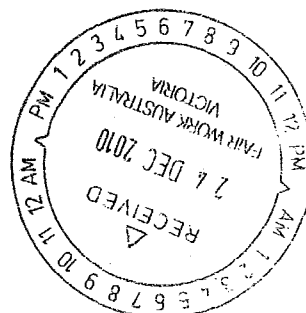


HSU east
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HEALTH SERVICES UNION
NEW SOUTH WALES BRANCH

FINANCIAL REPORT
FOR THE PERIOD ENDED 24 MAY 2010

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

OPERATING REPORT

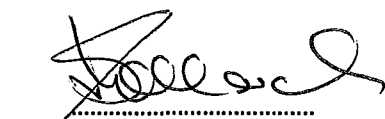
The Committee of Management presents its operating report of the Health Services Union, New South Wales Branch for the reporting period ended 24 May 2010.

1. The principal activities of the Branch during the reporting period were:
 - a) Use the facilities of the AIRC, for the purpose of determining industrial issues under the Fair Work (Registered Organisations) Act 2009;
 - b) The Branch also utilises the AIRC services in the ACT, over which this Branch has jurisdictional coverage; and
 - c) No significant change in the nature of these activities occurred during the period.
2. The deficit of the Branch for the reporting period amounted to \$32,823 (2009: surplus of \$36,952). There were no significant changes to the Branch's financial affairs during the reporting period.
3. All members have a right to resign in accordance with rule 16.1 of the Union's Registered Rules and section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.
4. Mr Michael Williamson is a director of First State Super. Mr Peter Mylan is a director of Health Super Pty Ltd, the trustee of the Health Superfund. He is nominated to that office by the National Executive of the Health Services Union
5. The number of members of the Branch at the end of the reporting period was 490.
6. The Branch has no appointed employees. All work performed on behalf of the Branch is undertaken by persons who are employees of the state registered Health Services Union or who are elected officers of the Branch.
7. The names of each person who were members of the Committee of Management, at any time, during the reporting period are as follows:

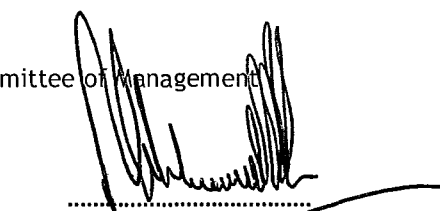
1 July 2009 to 24 May 2010

Stephen Pollard	Iris Knight	Kim Goodlock	Ted Hinge
Sean O'Connor	Lynne Russell	Sharon Joseph	David Vealey
Anthony Llewellyn	Deborah Neumann	Michael Williamson	Kevin Caldwell
Warren Boon	Mark Hanlon	John Fitzroy	Lynette Guymer
Dixie Campton	Barbara Gray	Linden Martin	Clarence Smith
Pauline O'Neill	Vickie Riley	Peter Beaton	
Mark Sterrey	Sharon McCullough	Robyne Cosgrove	

Signed in accordance with a resolution of the Committee of Management


.....
S POLLARD

19 November 2010


.....
M A WILLIAMSON

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

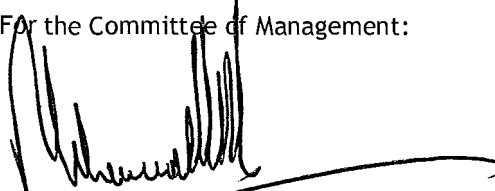
COMMITTEE OF MANAGEMENT'S STATEMENT

On 19 November 2010 the Committee of Management of the Health Services Union New South Wales Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the period ended 24 May 2010.

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial report and notes comply with the Australian Accounting Standards;
- (b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the period ended 24 May 2010.
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the reporting period ended 24 May 2010 and since the end of the period:
 - (i) meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial affairs of the branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national office of the organisation; and
 - (v) no information has been sought in any request of a member of the Branch or the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - (vi) no orders have been made by the Industrial Registry under section 273 of the Fair Work (Registered Organisations) Act 2009.
- (f) during the period ended 24 May 2010 the branch did not participate in any recovery of wages activity.

For the Committee of Management:



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M A WILLIAMSON

19 November 2010

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 24 MAY 2010

	Note	Period Ended 24 May 2010	Restated Year Ended 30 June 2009 (Refer to Note 1(h))
		\$	\$
INCOME			
Capitation Fees	1(h)	626,267	696,576
Contributions		183,374	183,418
Dividend		37	33
Interest		1,683	7,132
TOTAL INCOME		811,361	887,159
LESS EXPENDITURE			
Employee Benefits Expense			
Fringe Benefits Tax		6,372	5,099
Other Expenses			
Affiliation Fees - Other		4,352	3,792
Audit Fees		6,800	7,900
Bank Charges		1,497	1,552
Campaigns		1,400	-
Capitation Fees - National Office		633,991	705,508
Computer Expenses		-	998
Conference & Meeting Allowances		-	-
Conference & Meeting Expenses		-	-
Delegates' Expenses		17,383	5,752
General Expenses		1,992	251
Organising and Travel		12,114	20,172
Printing & Stationery		-	1,645
Rent		9,013	7,298
Service Fee - HSU NSW		149,270	89,858
Telephone Expenses		-	382
TOTAL EXPENDITURE		837,812	845,108
(DEFICIT) SURPLUS FOR THE PERIOD		(32,823)	36,952

(The attached notes form part of these financial statements)

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

STATEMENT OF FINANCIAL POSITION
AS AT 24 MAY 2010

	Note	24 May 2010	Restated 30 June 2009 (Refer to Note 1(h))
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents		20,880	113,444
Debtor - HSU NSW		62,711	29,854
Prepaid Capitation and Service Fees		88,953	-
Interest Accrued		1,856	238
Investments	4	72,873	72,873
TOTAL CURRENT ASSETS		<u>247,273</u>	<u>216,409</u>
TOTAL ASSETS		<u>247,273</u>	<u>216,409</u>
LESS CURRENT LIABILITIES			
Payables			
Capitation Fees in Advance		70,645	-
GST Payable	1(h)	18,553	22,959
Sundry Creditors		12,967	15,519
TOTAL LIABILITIES		<u>102,165</u>	<u>38,478</u>
NET ASSETS		<u>145,108</u>	<u>177,931</u>
ACCUMULATED FUNDS		<u>145,108</u>	<u>177,931</u>

(The attached notes form part of these financial statements)

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE PERIOD ENDED 24 MAY 2010

	Note	Accumulated Funds \$
Balance at 30 June 2008		140,979
Net Surplus for the Year		54,368
Correction of Error	1(h)	<u>(17,416)</u>
Net Surplus after correction of Error		36,952
Balance at 30 June 2009		<u>177,931</u>
Net Deficit for the Period		<u>(32,823)</u>
Balance at 24 May 2010		<u>145,108</u>

(The attached notes form part of these financial statements)

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

STATEMENT OF CASH FLOWS FOR THE
PERIOD ENDED 24 MAY 2010

	Note	Period Ended 24 May 2010	Restated Year Ended 30 June 2009 (Refer to Note 1(h))
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Contributions		150,517	166,446
Capitation Fees	1(h)	696,912	696,576
Other Income		102	7,165
Payments to Suppliers	1(h)	(234,587)	(131,921)
Payment to National Office for Capitation Fees		(705,508)	(705,508)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	5(b)	<u>(92,564)</u>	<u>32,758</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Investments		-	(5,981)
NET CASH USED IN INVESTING ACTIVITIES		<u>-</u>	<u>(5,981)</u>
NET (DECREASE) INCREASE IN CASH HELD		(92,564)	26,777
CASH AT 1 JULY 2009		113,444	86,667
CASH AT 24 MAY 2010	5(a)	<u>20,880</u>	<u>113,444</u>

(The attached notes form part of these financial statements)

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 MAY 2010

1. STATEMENT OF ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Australian equivalents to International Financial Reporting Standards (AIFRS), other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the Fair Work (Registered Organisations) Act 2009.

Compliance with Australian equivalents to International Financial Reporting Standards ensures that the financial report comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (IFRS) except for:

- Segment reporting because AASB 114 "Segment Reporting" does not apply to not-for-profit organisations.
- Impairment of assets under AASB 136 "Impairment of assets"

BASIS OF PREPARATION

The financial report is for the New South Wales Branch of the Health Services Union, and in accordance with the Fair Work (Registered Organisations) Act 2009 the Branch is a reporting unit. The Health Services Union is an organisation registered under the Fair work (Registered Organisations) Act 2009. The New South Wales Branch is a branch of the registered organisation. In accordance with the Act the Union is a body corporate and has perpetual succession. By virtue of this method of incorporation, the Union and the New South Wales Branch are not subject to the Corporations Act 2001.

The financial report has been prepared on the basis of historical costs. Cost is based on the fair values of the consideration given in exchange for assets. The accounting policies have been consistently applied, unless otherwise stated.

The following is a summary of the significant accounting policies adopted by the Branch in the preparation of the financial report.

(a) Revenue

Contributions are accounted for on a cash receipts basis. Otherwise, the concept of accruals accounting has been adopted in the preparation of the Accounts.

(b) Income tax

No provision for Income Tax is necessary as Industrial Trade Unions are exempt from Income Tax under Section 50-15 of the Income Tax Assessment Act 1997.

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 24 MAY 2010 (Cont'd)

1. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

(c) Impairment

The carrying amounts of non current assets are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. An impairment loss is recognised in the statement of comprehensive income for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the asset's fair value less cost to sell and value in use. For the purpose of assessing value in use, this represents depreciated current replacement cost, as the Union is a not-for-profit organisation.

(d) Receivables

Receivables are recognised at original invoice amounts. Collectability of receivables is assessed on an ongoing basis. Debts which are known to be uncollectible are written off.

(e) Investments

All investments and other financial assets are initially stated at cost, being the fair value of consideration given plus acquisition costs. Purchases and sales of investments are recognised on trade date, which is the date on which the entity commits to purchase, or sell the asset.

(f) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables on the statement of financial position are shown inclusive of GST.

(g) Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will impact the financial report in future periods and which are not yet effective.

(h) Restatement of Comparative and Correction of Error in Prior Year

GST on Capitation Fees

The 2009 accounts overstated capitation fees by \$17,416 and understated the GST liability by \$17,416. The error has since been amended in the accounting records and the correct amount of GST paid to the ATO.

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 MAY 2010 (Cont'd)

2. ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) **Critical accounting estimates and assumptions**

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) **Critical judgments in applying the Branch's accounting principles**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

3. INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER OF FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Sub-Sections (1), (2) and (3) of Section 272 of the Fair Work (Registered Organisations) Act 2009 which read as follows:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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).

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 24 MAY 2010 (Cont'd)

	Period ended 24 May 2010 \$	Year ended 30 June 2009 \$
4. INVESTMENTS		
Term Deposit (Credit Union)	72,162	72,162
Shares in listed company	711	711
	<u>72,873</u>	<u>72,873</u>
Realisable within 12 Months		
	<u>72,873</u>	<u>72,873</u>
5. CASH FLOW INFORMATION		
a) Reconciliation of cash		
<p>For the purposes of the Statement of Cash Flows, cash includes cash at Bank. Cash at the end of the period as shown in the Statement is reconciled to the related items in the statement of financial position as follows:</p>		
Cash at Bank	<u>20,880</u>	<u>113,444</u>
b) Reconciliation of cash flows from operations with operating (deficit) surplus		
Net (Deficit) Surplus for the Period	1(h) (32,823)	36,952
Changes in Assets and liabilities		
(Increase) in Debtor - Health Services Union	(32,857)	(16,972)
(Increase) in Interest Accrued	(1,618)	(238)
(Increase) in Prepaid in Capitation and Service Fees	(88,953)	-
(Decrease)/Increase in GST Payable	1(h) (4,406)	17,884
Increase in Capitation Fees in Advance	70,645	-
(Decrease) in Sundry Creditors	<u>(2,552)</u>	<u>(4,868)</u>
Cash Flows from Operations	<u>(92,564)</u>	<u>32,758</u>

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 24 MAY 2010 (Cont'd)

6. RELATED PARTY TRANSACTIONS

Transactions with related parties are on normal terms and conditions no more favourable than those available to other parties, unless stated.

Transactions with the Health Services Union - National Office:

Capitation Fees - National Office paid are disclosed as an expense in the Statement of Comprehensive Income and as a payment in the Statement of Cash Flows.

7. EVENTS SUBSEQUENT TO REPORTING DATE

On 24 May 2010 the union altered the rules of the Health Services Union. The alterations involved the merger of the Victoria No.1 and Victoria No.3 Branches with the New South Wales Branch. The Health Services Union New South Wales Branch was then renamed to HSU East Branch

8. FINANCIAL RISK MANAGEMENT

Financial Instruments

	Period ended 24 May 2010 \$	Period ended 30 June 2009 \$
Financial Assets		
Cash and cash equivalents	20,880	113,444
Debtor - HSU NSW	62,711	29,854
Investment - Term Deposit (Credit Union)	72,162	72,162
Investment - Shares in listed company	711	711
Total Financial Assets	<u>156,464</u>	<u>216,171</u>
Financial Liabilities		
Sundry Creditors	<u>12,967</u>	<u>15,519</u>
Total Financial Liabilities	<u>12,967</u>	<u>15,519</u>

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 24 MAY 2010 (Cont'd)

8. FINANCIAL RISK MANAGEMENT (Cont'd)

(a) *General objectives, policies and processes*

The Branch is exposed to risks that arise from its use of financial instruments. This note describes the Branch's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist mainly of deposits with banks and other financial institutions, receivables and payables. The main risks the Branch is exposed to through its financial instruments are liquidity risk, credit risk and market risk.

The Committee of Management have overall responsibility for the determination of the Branch's risk management objectives and policies and whilst retaining ultimate responsibility for them, the Committee of Management makes investment decisions after considering appropriate advice.

(b) *Credit Risk*

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The Branch's major debtor is the Health Services Union New South Wales being contributions received by that entity on behalf of the Branch. There is no history of default by the debtor to the Branch.

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 24 MAY 2010 (Cont'd)

8. FINANCIAL RISK MANAGEMENT (cont'd)

(b) *Credit Risk (Cont'd)*

To mitigate the credit risk associated with cash at bank and a term deposit at a credit union, these are only deposited at reputable financial institutions.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:

	Period ended 24 MAY 2010	Period ended 30 JUNE 2009
	\$	\$
Cash at Bank	20,880	113,444
Investment - Term Deposit (Credit Union)	72,162	72,162
Debtor - HSU NSW	62,711	29,854
	155,753	215,460

There has been no history of default and all receivables are likely to be repaid within the expected terms.

Cash was only deposited with one bank and one credit union at 24 May 2010 (2009: one bank and one credit union).

(c) *Liquidity Risk*

The Branch manages liquidity risk by monitoring cash flows.

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments. The Branch is not significantly exposed to this risk, as it has \$20,880 (2009: \$113,444) in cash and cash equivalents and a credit union term deposit investment of \$72,162 (2009: \$72,162) to meet these obligations as they fall due. Financial liabilities at 24 May 2010 totalled \$12,967 (2009: \$15,519).

(d) *Market Risk*

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(i) *Interest Rate Risk*

The Branch's exposure to interest rate risk is the risk that a financial instrument's value fluctuates as a result of changes in market interest rates. The Branch holds excess cash in a fixed short term deposit to mitigate interest rate fluctuation risks. The Branch monitors and manages its interest rate risk by reviewing market trends. Upon maturity, the term deposit will be reinvested into a new term deposit at the prevailing interest rate. The effective weighted average interest rates on those financial assets and liabilities are summarised below:

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 24 MAY 2010 (Cont'd)

8. FINANCIAL RISK MANAGEMENT (cont'd)

(i) Interest Rate Risk (cont'd)

	Floating interest rate \$	Fixed interest rate \$	Non- interest bearing \$	Total \$
Period Ended 24 May 2010				
Financial Assets				
Cash at Bank	20,880	-	-	20,880
Receivables	-	-	62,711	62,711
Investment	-	72,162	711	72,873
	<u>20,880</u>	<u>72,162</u>	<u>63,422</u>	<u>156,464</u>
Weighted average Interest rate	2.25%	5.45%		
Financial Liabilities				
Payables	-	-	12,967	12,967
Net financial assets	<u>20,880</u>	<u>72,162</u>	<u>50,455</u>	<u>143,497</u>
Year Ended 30 June 2009				
Financial Assets				
Cash at Bank	113,444	-	-	113,444
Receivables	-	-	29,854	29,854
Investments	-	72,162	711	72,873
	<u>113,444</u>	<u>72,162</u>	<u>30,565</u>	<u>216,171</u>
Weighted average Interest rate	1.50%	3.65%		
Financial Liabilities				
Payables	-	-	15,519	15,519
Net financial assets	<u>113,444</u>	<u>72,162</u>	<u>15,046</u>	<u>200,652</u>

HEALTH SERVICES UNION - NEW SOUTH WALES BRANCH

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 24 MAY 2010 (Cont'd)

8. FINANCIAL RISK MANAGEMENT (cont'd)

(i) Interest Rate Risk (cont'd)

Sensitivity Analysis

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the branch's profit (through the impact on floating rate and short term deposit financial assets).

Period Ended 24 May 2010	Carrying Amount	+1% Profit	-1.5% Loss
	\$	\$	\$
Cash at Bank	20,880	209	(313)
Investment -Term Deposit (Credit Union)	72,162	722	(1,082)
		<u>930</u>	<u>(1,395)</u>
Year Ended 30 June 2009	Carrying Amount	+1% Profit	-1.5% Loss
	\$	\$	\$
Cash at Bank	113,444	1,134	(1,702)
Investment -Term Deposit (Credit Union)	72,162	722	(1,082)
		<u>1,856</u>	<u>(2,784)</u>

(ii) Other Price Risks

The Branch does not invest in derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market. There is no sensitivity analysis for other price risk because although the Branch holds a small number of shares in a listed company their value as a percentage of investments, is considered immaterial.

(iii) Foreign Exchange Risk

The Branch is not exposed to foreign exchange rate risk.

9. REGISTERED OFFICE

The registered office and principal place of business of the Branch is:

Level 2,
109 Pitt Street
Sydney NSW 2000

INDEPENDENT AUDITOR'S REPORT

To the members of the Health Services Union, New South Wales Branch

We have audited the accompanying financial report of the Health Services Union- New South Wales Branch, which comprises the statement of financial position as at 24 May 2010, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, a summary of significant accounting policies, other explanatory notes and the Branch Committee of Management's statement

Committee of Management's and Branch Secretary's Responsibility for the Financial Report

The committee of management and branch secretary of the Health Services Union, New South Wales Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee of management and branch secretary, as well as evaluating the overall presentation of the financial report.

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

Independence

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



INDEPENDENT AUDIT REPORT (Cont'd)

Auditor's Opinion

In our opinion the general purpose financial report of the Health Services Union, New South Wales Branch is presented fairly in accordance with applicable Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

A handwritten signature in black ink, appearing to be 'BDO'.

BDO Audit (NSW-VIC) Pty Ltd

A handwritten signature in black ink, appearing to be 'David McLean'.

David McLean
Director
Member of Institute of Chartered Accountants
And Holder of Current Public Practice Certificate
Registered Company Auditor
SYDNEY NSW 2000

19 November 2010