

18 February 2016

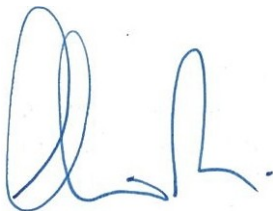
Chris Enright  
Director  
Regulatory Compliance Branch  
Fair Work Commission  
GPO Box 1994  
**MELBOURNE VIC 3001**

Dear Mr Enright

**Health Services Union Queensland Branch: non-lodgement of financial reports for years ending 30 June 2000 to 30 June 2010**

I refer to your correspondence dated 9 February 2016 regarding the above matter and I acknowledge receipt of that correspondence.

Your sincerely



Chris Brown  
**National Secretary**





9 February 2016

Mr Chris Brown  
National Secretary  
Health Services Union  
Suite 1  
Level 3, 377 Sussex Street  
SYDNEY NSW 2000

via email: [chrisb@hsu.net.au](mailto:chrisb@hsu.net.au)  
[jonathan.milman@hsu.asn.au](mailto:jonathan.milman@hsu.asn.au)

Dear Mr Brown

**Health Services Union Queensland Branch: non-lodgement of financial reports for years ending 30 June 2000 to 30 June 2010**

I refer to previous correspondence and discussion with you regarding outstanding financial reports for the Queensland Branch of the Health Service Union (**HSU**) for the financial years ending 30 June 2000 to 2010.

As you are aware, the *Fair Work (Registered Organisations) Act 2009 (RO Act)* requires the Queensland Branch of the HSU to lodge audited financial reports with the Fair Work Commission (**the Commission**) within six months and 14 days of the end of its financial year (that is, no later than 15 January). It is a requirement of the RO Act that:

- a General Purpose Financial Report (**GPFR**) and an operating report be prepared as soon as practicable after the end of the financial year (ss.253, 254);
- that the full report (consisting of the GPFR, operating report and auditor's report) be presented to a general meeting of members, or to a meeting of the branch Committee of Management, within six months after the end of the financial year (s.266); and
- a copy of the full report must be provided to members at least 21 days before the general meeting or if presented to a branch Committee of Management meeting within five months after the end of the financial year (s.265(5)).

You have advised that, due to the failure by the then Queensland Branch Committee of Management to keep proper or adequate financial records, financial reports for the years ending 30 June 2000 to 30 June 2010 are not able to be prepared, in breach of the above requirements of the RO Act.

It also appears that the Health Services Union failed to lodge the required information for the Queensland Branch in the annual returns for the years 2006 to 2013 as required by s.233.

I consider the prolonged non-compliance by the Queensland Branch to be a serious matter. The standards set out in the RO Act are directed to ensuring that registered organisations are: accountable to their members; efficiently managed and operate effectively; and enable participation by members in the affairs of the organisation. The consequence of the

contraventions is that the Branch has not been accountable to its members and members have been deprived of the opportunity to be informed of the financial position of the Branch and to otherwise participate in the affairs of the organisation, contrary to the objects of the RO Act.

Officers of an organisation are also held to high standards and must comply with the general duties in relation to the financial management of the organisation. The failure by the then Branch Secretary to comply with these requirements and the lack of oversight by then National Executive, may also amount to a breaches of the general duties of officers as set out in Part 2 of Chapter 9 of the RO Act.

However, I also acknowledge the extensive and voluntary action taken by the current National Executive and new Branch Committee of Management to rectify these matters. In particular, that the National Executive has taken steps to reconstitute the Branch and has put in place internal governance mechanisms to ensure proper oversight of the Queensland Branch. As a result, the Branch now has a new Committee of Management, and has lodged the outstanding financial reports for the financial years ending 30 June 2011 to 30 June 2013 and complied with its reporting requirements for the financial year ending 30 June 2014 and 30 June 2015.

It is also a relevant consideration that: both the former Queensland Branch office holders and National Secretaries are no longer officers of the union; that the number of members of the Branch is small; and the current National Executive has been fully cooperative.

Having regard to these matters, it is not considered it would be in the public interest to commence a formal investigation into these matters and I advise that the Commission will close off the financial reports for the Queensland Branch of the HSU for the years 30 June 2000 to 30 June 2010 and annual returns for the years 2006 to 2013.

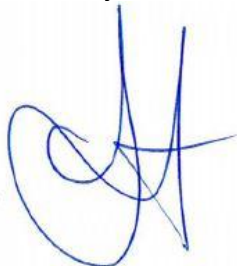
However, the Commission will continue to closely monitor the Queensland Branch and will take prompt action in response to any further contraventions. You are on notice that any future non-compliance by the Queensland Branch will be treated very seriously, with the earlier non-compliance taken into account in deciding what action to take.

I also note that in a meeting on 16 September 2015, you raised the possibility of an amendment to the HSU Rules to abolish the Queensland Branch and have the Tasmanian Branch look after the interests of members in Queensland. Please note that until such change to the HSU Rules is approved, the Queensland Branch must adhere to all requirements under Part 3 of Chapter 8 of the RO Act. I would request that you continue to keep the Commission updated regarding the status of the Queensland Branch.

If you would like to discuss any aspect of the above, please contact me on 8656 4680 or Joanne Fenwick, Financial Reporting Specialist on 8656 4681.

Please acknowledge your receipt of this correspondence by Friday 19 February 2016.

Yours sincerely



Chris Enright  
Director  
Regulatory Compliance Branch

cc. Jonathan Milman, Queensland Branch Secretary



**Australian Government**  
**Australian Industrial Registry**

4 March 2009

Mr Clem O'Shannesy  
Branch Secretary  
Health Services Union of Australia  
Queensland Branch  
PO Box 215  
MANUNDA QLD 4870

Dear Mr O'Shannesy,

**Health Services Union of Australia – Queensland Branch  
Lodgement of Financial Documents for 30 June 2008 and previous years  
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

I refer to my letter of 27 January 2009 addressed to you requesting written advice in relation to the branch's outstanding financial reports for year ended 30 June 2008 and other previous years. A copy of that letter is attached for your information. As yet, no response has been received from the branch.

Under Part 3, Chapter 8 of Schedule 1 of the *Workplace Relations Act 1996* (the RAO Schedule) obligations are imposed on an organisation in relation to each financial year of the organisation to keep accounting records, prepare and have audited accounts and statements, provide copies of the auditor's report, accounts and statements free of charge to the members, present the documents to a general meeting of the members (or a meeting of the committee of management) and lodge copies in the Industrial Registry. This legislative scheme has been designed to ensure that an organisation is accountable to its members in relation to the financial affairs of the organisation.

In the absence of lodgement of the financial reports, I request you contact me by telephone or email on receipt of this letter to discuss the lodgement of the said financial reports. I remind the branch that under s305(2)(ze) of the RAO Schedule civil penalties may apply for failure to meet these requirements.

I request that you contact me before 17 March 2009. I can be contacted by telephone on (03) 8661 7817 or email at: [robert.pfeiffer@airc.gov.au](mailto:robert.pfeiffer@airc.gov.au)

Yours sincerely,

A handwritten signature in black ink, appearing to read 'R Pfeiffer', written over a light blue horizontal line.

Robert Pfeiffer  
Statutory Services Branch



**Australian Government**  
**Australian Industrial Registry**

27 January 2009

Mr Clem O'Shannesy  
Health Services Union-Queensland Branch  
clemoshannesy@yahoo.com.au

Dear Mr O'Shannesy,

**Lodgement of Financial Documents for year ended 30 June 2008 [FR2008/227]  
Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)**

The RAO Schedule requires the Health Services Union-Queensland Branch to lodge audited financial accounts and statements with the Registry within 6 months and 14 days of the end of its financial year.

The Registry has no record of lodgement of financial documents for year ended **30 June 2008**, which should have been lodged with the Registry by **14 January 2009**. In fact, our records show that no financial documents have been lodged for the previous eight (8) years.

In order to avoid exposure to a civil (pecuniary) penalty, you are required to lodge the following documents without further delay:

- A *general purpose financial report for each of the financial years stated above* (see section 253(2)(a) of the RAO Schedule);
- A *Committee of Management statement for each of the said financial years* (see the Registrar's Guidelines);
- An *operating report for each of the said financial years* (see section 254(2));
- An *auditor's report for each of the said financial years* (see sections 257(5) to 257(11)); and
- A *certificate of the secretary or other authorised officer for each of the said financial years* (see section 268)).

I note for your information, that the general purpose financial report must be prepared in accordance with not only the applicable Australian Accounting Standards but also the Registrar's Reporting Guidelines. A copy of the Guidelines is available on our website (details of which are provided below).

The RAO Schedule sets out a particular chronological order in which these documents and statements must be prepared, made available to members and presented to a meeting. All of these events must occur within timeframes that are also specified in the RAO Schedule. Detailed information can be found on our website at <http://www.airc.gov.au/registered/FR/information.htm>, including:

- Fact sheets – the following fact sheets provide information regarding financial reporting:
  - Sheet 6 – Accounting, Auditing and Reporting Obligations;
  - Sheet 7 – Information Needs of Members;
  - Sheet 8 – Financial Reporting Process and Time Limits;
  - Sheet 9 – Diagrammatic Summary of Financial Reporting Process and Time Limits; and
  - Sheet 10 – Auditors.
- Sample Documents – a sample Committee of Management Statement and Designated Officer's Certificate is available;
- RAO Schedule and RAO Regulations;

- Registrar's Reporting Guidelines – the Guidelines set out requirements that must be met **in addition to** those required by Australian Accounting Standards; and
- Document Checklist and Timeline Planner to assist with meeting timeframes.

In the absence of lodgement of the outstanding documents, I request that you state in writing by **17 February 2009**:

- whether the Committee of Management statements and Operating Reports have been prepared;
- whether the auditor has audited the general purpose financial reports and, if so, the dates upon which the auditor signed the audit reports;
- whether (and, if so, when) members have been provided with the full reports. Each 'full report' is made up of the general purpose financial report (including the Committee of Management statement), the auditor's report and the operating report;
- if they have been provided to members, whether each full report has also been presented to a general meeting or committee of management meeting and, if so, when; and
- when a copy of each of the full report will be lodged with the Industrial Registry.

I draw your attention to the civil penalty provisions of the RAO Schedule [see section 305(2)(ze)] which allow the Federal Court to impose a pecuniary penalty upon a person or organisation where the requirements of section 268 have not been met. You should also be aware of the provisions of Part 1 of Chapter 9 of the RAO Schedule which set out general duties of officers and employees of organisations and their branches in relation to financial management.

The Registry strongly encourages you to lodge documents electronically by sending an email with the documents attached to [orgs@airc.gov.au](mailto:orgs@airc.gov.au). Alternatively, you can send the documents by fax to (03) 9655 0410.

Yours sincerely,



Robert Pfeiffer  
Statutory Services Branch



**Australian Government**  
**Australian Industrial Registry**

27 January 2009

Mr Clem O'Shannesy  
Health Services Union-Queensland Branch  
[REDACTED]

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Yours sincerely,



Robert Pfeiffer  
Statutory Services Branch