



FAIR WORK
AUSTRALIA

20 August 2012

Mr. Jorge Navas
Branch Secretary
Health Services Union
South Australian Branch
46 Greenhill Road
Wayville SA 5034

Dear Mr Navas,

**Financial Report 2011 [FR2011/2736]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

I refer the financial report FR2011/2736 for the Health Services Union - South Australian Branch lodged with Fair Work Australia on 287 February 2012.

The financial report has now been filed.

Please ensure in future that a complete set of documents is lodged with Fair Work Australia as required under the Fair Work (Registered Organisations) Act 2009; and that you also adhere to the Reporting Guidelines of the General Manager of Fair Work Australia. For further information, please refer to my letter dated 13 March 2012.

If you have any questions regarding this letter please contact me on (03) 8661 7775 (Monday to Wednesday) or via email at sarah.wilkin@fwa.gov.au

Yours sincerely,

Sarah WILKIN
Organisations, Research & Advice
Fair Work Australia

From: [Bronia Smolski](#)
To: [WILKIN, Sarah](#)
Subject: RE: attachment
Date: Wednesday, 15 August 2012 1:04:29 PM

Hi Sarah,

In relation to the Financial Report 2011/2736 for the Health Services Union – SA Branch, I confirm that, other than the amount of \$33,266 allocated to contract data processing and contract work (as disclosed in note 12 of the GPFR), there are no other amounts of any material income or expense item that amount to 10 per cent or more of the total income/expenditure.

Kind regards,

Bronia Smolski



bronia.smolski@jacobsnoble.com.au

Ph 8333 7300
Fax 8333 7301

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From: WILKIN, Sarah [<mailto:sarah.wilkin@fwa.gov.au>]
Sent: Monday, 30 July 2012 11:18 AM
To: Bronia Smolski
Subject: FW: attachment

From: WILKIN, Sarah
Sent: Monday, 30 July 2012 11:47 AM
To: WILKIN, Sarah
Cc: hsusa@hsusa.asn.au
Subject: RE: attachment

Hi Bronia,

Thank you for your call last Tuesday and your verbal confirmation that there are no other amounts of any material income or expense items that amount to 10 per cent or more of the total income or expenditure.

Could you please confirm this in writing for our files? An email in the following format would be fine:

'In relation to the Financial Report 2011/2736 for the Health Services Union – SA Branch, I confirm that, other than the amount of \$33,266 allocated to contract data processing and contract work (as disclosed in note 12 of the GPFR), there are no other amounts of any material income or expense item that amount to 10 per cent or more of the total income/expenditure.'

Once I receive this confirmation, I can file the report and close the file.

Kind regards

Sarah Wilkin

From: WILKIN, Sarah
Sent: Wednesday, 13 June 2012 10:25 AM
To: 'Bronia Smolski'
Cc: 'hsusa@hsusa.asn.au'
Subject: attachment

My apologies, here is the attachment.

SARAH WILKIN
Organisations, Research and Advice

Fair Work Australia
Tel: 03 8661 7775
Fax: 03 9655 0410
sarah.wilkin@fwa.gov.au

11 Exhibition Street, Melbourne, Victoria 3000
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Working days: Mondays, Tuesdays and Wednesdays

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HEALTH SERVICES UNION OF AUSTRALIA

SOUTH AUSTRALIAN BRANCH

ABN: 35 898 865 510

OPERATING REPORT

The **principle activities** as a Trade Union during the financial year ended 30th June 2010 were to improve the rights of members, maintain reasonable hours of work and obtain fair wages and industrial condition for members.

No **significant changes** in nature of those activities occurred during the year.

No **significant changes** occurred in the unions **financial affairs** during the year ended 30th June 2010.

Resignation from Membership

- 1) A member may resign from the Branch of the Union by written notice addressed and delivered to the Branch Secretary or a Branch of the Union.
- 2) A notice of resignation takes effect
 - a) Where the member ceases to be eligible to become a member of the Union
 - i) On the day in which the notice is received by the organisation; or
 - ii) On the day specified in the notice and not earlier than the day of cessation eligibility whichever is the later; or
 - b) In any other case
 - i) At the end of two weeks after the notice is received by the Union; or
 - ii) The day specified in the notice whichever is the later
- 3) Any member resigning shall be liable for payment of all subscriptions, fines and levies owing to the Union under the Rules at the date of leaving, and such monies may be sued for and recovered by the Union.
- 4) A notice delivered in person to the Branch Secretary is taken to have been received by the Union when it was delivered.
- 5) A notice of resignation is not invalid because it was not addressed and delivered in accord with subsection 1)

- 6) A resignation from membership is valid even if it is not effected in accord with 1) to 5) if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted by the Union.

Trustee or Director of Trustee Company Superannuation Entity or Exempt Public Sector Superannuation Scheme

No members or officials held reserved positions in such and entity.

The number of Members at the end of the financial year was 702.

The number of persons who were employees of the Branch at the end of the financial year was 01.

Members of the Committee of Management

The persons holding office during the year were:

Mark Panes; Bruno Sonza; Andrew Coleman; Marilyn Betchley; Riccardo Iannella; Elizabeth Reid; Lesley Dummin; Anthony Newman; Cherry Mitchell; Nick Petrakos; and Jorge Navas



Jorge Navas
BRANCH SECRETARY

17th July 2011

HEALTH SERVICES UNION OF AUSTRALIA SA BRANCH
A.B.N 358 98 865 510

COMMITTEE OF MANAGEMENT STATEMENT

On 31 OCT 2011 the Branch Committee of Management of the Health Services Union of Australia South Australia Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 June 2011.

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 Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position, changes in equity and cash flows of the branch for the financial year ended 30 June 2011.
- (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 financial year ended 30 June 2011 and since the end of the financial year;
 - (i) meetings of the Branch 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 records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; 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 of the organisation; and
 - (v) no information has been sought in any request of a member of the branch or a Registrar under section 272 of the RAO Schedule; and
 - (vi) no order for inspection of the financial records was made by the Commission under section 273 of the RAO Schedule.
- (f) During the financial year ended 30 June 2010 the Branch did not participate in any recovery of wages activity.
- (g) Principle activities during the financial year were: Union Activities. No significant change in the nature of these activities occurred during the year.
- (h) A profit after providing for income tax amounted to \$38,629

For the Branch Committee of Management



BRANCH SECRETARY

Date: 31 OCT 11

HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011 \$	2010 \$
<hr/>		
8 GST Liabilities		
Current		
GST Account	-	4,479
	<hr/>	<hr/>
Total GST Liabilities	-	4,479
	<hr/>	<hr/>
9 Provisions		
Provision for Annual Leave	24,604	34,248
Provision for Long Service Leave	44,064	41,121
Provision for Sick Leave	60,747	56,390
	<hr/>	<hr/>
Total provisions	129,415	131,759
	<hr/>	<hr/>
Analysis of Total Provisions		
Current	129,415	131,759
	<hr/>	<hr/>
	129,415	131,759
	<hr/>	<hr/>
10 Retained Earnings		
Retained earnings at the beginning of the financial year	114,442	99,613
Net surplus attributable to the association	38,629	14,829
	<hr/>	<hr/>
Retained earnings at the end of the financial year	153,071	114,442
	<hr/>	<hr/>

From: [Bronia Smolski](#)
To: [WILKIN, Sarah](#)
Subject: Financial Report 2011 (FR2011/2736)_Health Services Union (SA Branch)
Date: Thursday, 3 May 2012 12:19:04 PM

Hi Sue,

Following up on our conversation from Tuesday, 1st May 2012 we advise the following :

- The revenue of \$296,061 is for membership subscriptions
- I agree there is a typing error in note 12 which reads ‘...by all non office holders’ and should read ‘...by all elected office holders’.
- Employee benefit expenses: Amount on face of income statement is \$93,762 this comprises;

Salary elected officer	\$86,047	Also listed at note 12
Superannuation	\$ 7,715	Not listed at note 12
	\$93,762	Per face of statement

Should fringe benefits tax be included in this note?

The amount of \$33,266 disclosed in note 12 for all non office holders is included in other expenses in the Income Statement.

This is for contract data processing & clerical. Can you advise if this is required to be included as a note given it is for contract work. The only employee is Jorge Navas.

- Expenses that require separate disclosure (included in *Other Expenses*) in line with reporting guideline 11 include:
 - Affiliation Fees \$18,926.58
 - Meeting & Public Relations \$5,230.26

We will ensure for future years this is reported in line with Reporting Guideline 11

- Please find attached copy of missing page which includes notes 8 to 10
- When you have an opportunity to mark up the legislative reference changes required in the Committee of Management Statement, would you please provide so that we can utilise in future years.

Kind regards,

Bronia Smolski



bronia.smolski@jacobsnoble.com.au

Ph 8333 7300
Fax 8333 7301

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From: [Health Services Union SA](#)
To: [LO-BOOTH, Cynthia](#)
Cc: "Bronia Smolski"
Subject: RE: financial return for HSU - SA FR2011/2736.
Date: Tuesday, 3 April 2012 6:41:42 AM

Hi Cynthia

Thank you for your e-mail, the HSU is happy for you to provide information and correspondence between the HSU and fair work Australia to Jacobs, Noble & Associates as our auditors.

Thank you for your assistance

Regards

Jorge Navas

Secretary, HSU – SA

Tel: 08 8279 2255, Mob: **0419 036 615**, Fax: 08 8279 2223

46 Greenhill Road, Wayville SA 5034

Email: hsusa@hsusa.asn.au

Web: www.hsusa.asn.au

HEALTH PROFESSIONALS

FIGHTING FOR A HEALTHIER COMMUNITY

From: LO-BOOTH, Cynthia [<mailto:Cynthia.Lo-Booth@fwa.gov.au>]
Sent: Friday, 30 March 2012 4:47 PM
To: Health Services Union SA
Cc: BSmolski@jacobsnoble.com.au
Subject: RE: financial return for HSU - SA FR2011/2736.

Hi Jorge,

Bronia from Jacobs, Noble & Associates contacted our office today regarding our letter to you dated 13 March seeking further information on certain financial reporting matters.

Bronia wanted to see a copy of the documents you lodged with FWA.

Prior to me forwarding her a copy I need to seek your permission to do so as Jacobs, Noble & Associate is engaged by HSU SA Branch and not by FWA.

Also please advise that it is okay for me to communicate directly with her in regards to the HSU SA Branch financial report.

If it is permissible for me to forward a copy of your lodged financial report I will do so on Monday, 2 April.

Thanks.

Cynthia

CYNTHIA LO-BOOTH
Organisations, Research and Advice
Fair Work Australia
Tel: 03 8661 7989
Fax: 03 9655 0410
cynthia.lobooth@fwa.gov.au
11 Exhibition Street, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001

www.fwa.gov.au

From: Health Services Union SA [<mailto:hsusa@hsusa.asn.au>]
Sent: Thursday, 22 March 2012 7:19 AM
To: LO-BOOTH, Cynthia
Subject: RE: financial return for HSU - SA FR2011/2736.

Hi Cynthia

The committee of management statement was signed on 31 October 2011 following a committee of management solution.

My apologies for confusing the dates.

Regards

Jorge Navas

Secretary, HSU – SA

Tel: 08 **8279 2255**, Mob: **0419 036 615**, Fax: 08 **8279 2223**

46 Greenhill Road, Wayville SA 5034

Email: hsusa@hsusa.asn.au

Web: www.hsusa.asn.au

HEALTH PROFESSIONALS

FIGHTING FOR A HEALTHIER COMMUNITY

From: LO-BOOTH, Cynthia [<mailto:Cynthia.Lo-Booth@fwa.gov.au>]
Sent: Wednesday, 21 March 2012 12:50 PM
To: Health Services Union SA
Subject: RE: financial return for HSU - SA FR2011/2736.

Hi Jorge,

Thank you for the operating report and the amended committee of management statement.

I note the COM stmt appears to have had the resolutions passed on 31 Oct 2011 rather than the 17 July 2011 that was stated in your cover letter when you lodged the financial documents with FWA. Nevertheless, if the correct date of passing the resolutions is 31 Oct 2011 that is fine. However, I need to know if this COM statement was actually executed (signed) by you on 31 Oct 2011 or was is signed on 17 March 2012?? I recall from our telephone conversation that you were going to draft and sign a new COM stmt over the weekend, namely 17 or 18 March. You MUST NOT back date any statements, declarations, statutory declarations or other important documents that you lodge with FWA, the day you sign the document should be the date that appears below your signature.

Please, if the COM stmt was created only last weekend I can't accept this. You must forward me another COM statement and the date under your signature must bear the date that you sign the document (such as ?? March 2012). If the COM statement was actually created on 31 Oct 2012 please confirm this in writing and the correspondence will be entered in our records. Please ensure this is done immediately.

Thank you.

Regards,

Cynthia

CYNTHIA LO-BOOTH

Organisations, Research and Advice

Fair Work Australia

Tel: 03 8661 7989

Fax: 03 9655 0410

cynthia.lobooth@fwa.gov.au

11 Exhibition Street, Melbourne Victoria 3000
GPO Box 1994, Melbourne Victoria 3001
www.fwa.gov.au

From: Health Services Union SA [<mailto:hsusa@hsusa.asn.au>]
Sent: Sunday, 18 March 2012 3:20 PM
To: LO-BOOTH, Cynthia
Subject: financial return for HSU - SA FR2011/2736.

Hi Cynthia

As per our telephone conversation on Friday the 16th is of March 2012 please find enclosed documents as promised.

I hope to be able to forward the responses you require by Friday, 23 March.

Regards

Jorge Navas

Secretary, HSU – SA

Tel: 08 **8279 2255**, Mob: **0419 036 615**, Fax: 08 **8279 2223**

46 Greenhill Road, Wayville SA 5034

Email: hsusa@hsusa.asn.au

Web: www.hsusa.asn.au

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FAIR WORK
AUSTRALIA

13 March 2012

Mr. Jorge Navas
Branch Secretary
Health Services Union
South Australian Branch
46 Greenhill Road
Wayville SA 5034

By email: hsusa@hsusa.asn.au

Dear Mr Navas,

**Financial Report 2011 [FR2011/2736]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

I acknowledge receipt of the financial report for year ended 30 June 2011 of the Health Services Union - South Australian Branch [FR2011/2736]. The documents were lodged with Fair Work Australia (FWA) on 28 February 2012.

I advise that we are unable to file this financial report.

We are unable to accept the financial report in its present form. The Operating Report is missing and the Committee of Management Statement is inadequate. Clarification of issues identified in the Income Statement, Balance Sheet and Notes to the financial report are required to be provided to FWA to conclude this matter. This must be given your immediate attention as the financial report was already lodged two months late. The requested documents and information listed below must be lodged with this office by 23 March 2012.

1. No Operating Report provided

An Operating Report is required as part of the financial report under s254 of the RO Act. We have not received an Operating Report from your reporting unit. This is notwithstanding the fact that your cover letter dated 28 February 2012 states that the '*Committee of Management's statement and operating report were (sic) prepared and approved at our Committee of Management meeting held on 17 July 2011*'. Please lodge the Operating Report immediately. If the Operating Report has not already been uploaded on the reporting unit website this must be done immediately and it must be confirmed in writing that this has been done.

It is noted that your reporting unit has repeatedly failed in 2009 and 2010 to provide an Operating Report when the financial report is initially lodged. Please make sure the documents are complete when the financial report is lodged with our office.

2. Certification of events that are yet to occur

Further to the above, it is noted that the Committee of Management Statement was executed and provides that the resolution was passed on 20 May 2011. This date predates the end of the financial year to which the financial report relates. This is also inconsistent with your cover letter which provides that the Committee of Management's Statement was approved at a Committee of Management (COM) meeting held on 17 July 2011. There appears to be a misstatement in one of the documents.

If the misstatement is in the Committee of Management Statement please lodge a newly executed Committee of Management Statement with the correct resolution date. If the misstatement is in your cover letter then the lodged Committee of Management Statement is inadequate and another COM meeting is required to be held to pass the relevant resolutions. A new Committee of Management Statement is then required to be prepared and lodged. In either situation, a new Statement must be lodged with FWA. Additionally, this new Statement must be provided to the members (via the reporting unit website) and it must be confirmed in writing that this has been done.

3. Adherence to the Reporting Guidelines of the General Manager of FWA

The reporting unit's Income Statement, Balance Sheet and the Notes to the financial report do not appear to adhere to certain Reporting Guidelines issued under s.255 of the RO Act. The Reporting Guidelines can be accessed via the FWA website at: <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> (select s253 guidelines).

Please clarify or provide further information to the following issues:

(a) *Income in Income Statement*

In the Income Statement the total revenue for 2011 is listed as \$296,061. Note 2 to the financial statement identify the source of revenue as 'rendering of services'. Is this income the result of 'membership subscriptions' rather than 'rendering of services'?

(b) *Expenses in Income Statement*

The Income Statement lists an entry 'employee benefits expenses' at \$93,762. Note 12 provides under the heading of 'Elected Office Holders' a figure of \$86,047. However, the corresponding explanation states that the figure is the 'Total income received, or due and receivable, by all non office holders of each entity in the economic entity from the union, related bodies corporate, or controlled entities'. This explanation regarding income received by non office holders appears to be at odds with the sub-heading of Elected Office Holders. Is this a typographical error in the explanation? Does the \$86,047 refer to the benefits paid to office holders?

Also the amount of employee benefits to Non-Office Holders at \$33,266 and the employee benefits to Office Holders at \$86,047 does not add up to the aggregate of \$93,762 appearing in the Income Statement. Can you please explain the difference of \$25,551?

(c) *Other expenses in Income Statement*

Reporting Guideline 11 lists particular expense items which **must** be disclosed by the reporting unit regardless of whether or not they are material (that is amounting to 10 per cent of the total expenditure). Reporting Guideline 11 requires disclosure in the Income Statement or in the Notes to the financial report any of the following expense items:

- Expenses incurred as consideration for employers making payroll deductions for membership subscription
- Contribution made towards the administrative expenses of another reporting unit(s) from the same organisation
- Affiliation fees and periodic subscriptions
- Compulsory levies imposed on the reporting unit
- Grants or donations
- Employee benefits to employees who are office holders of reporting unit (as mentioned above)
- Employee benefits to employees other than office holders (as mentioned above)
- Fees or allowances to persons in respect of their attendances as representatives of the reporting unit at conferences or meetings
- Legal costs
- Meeting expenses
- Penalties imposed on the reporting unit under the RO Act or RO Regulations

If any of the above expenses have been incurred and were included in the total of 'other expenses' of the Income Statement, separate disclosure of its details and amounts must be provided to this office.

(d) Employee leave provisions in Balance Sheet

There is no explanation provided for the 'Provisions' appearing under Liabilities in the Balance Sheet. Notes 8 to 10 are missing from the financial report. Reporting Guidelines 14(c) and (d) require employee benefits in respect of office holders and non office holders to be separately disclosed. There is only an aggregate 'Provisions' figure of \$129,415 provided. If any of this amount relate to employee benefits please provide the break-up of this aggregate figure between employee benefits to office holders and employee benefits to non-office holders. Also a copy of Notes 8 to 10 should be provided.

Legislative references are out of date

References should be updated in accordance with the current legislation and regulations. In the Committee of Management statement there is a reference to the Industrial Register and to the RAO Schedule/Regulations. References should correctly refer to the General Manager of Fair Work Australia and the *Fair Work (Registered Organisations) Act 2009* and *Fair Work (Registered Organisations) Regulations 2009*.

If you have any questions regarding this letter please contact me on (03) 8661 7775 (Monday to Wednesday) or via email at sarah.wilkin@fwa.gov.au

Yours sincerely,

Sarah WILKIN
Organisations, Research & Advice
Fair Work Australia



Health Services Union
South Australian Branch



FR2011/2736

Working for a healthier community

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hsusa@hsusa.asn.au
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Robert Pfeiffer
Organisations, Research & Advice
Fair Work Australia
GPO Box 1994
Melbourne VIC 3001

Email: orgs@fwa.gov.au

Dear Robert

RE: FR2011/2736 - Financial Reporting matter re: 051V-SA Health Services Union-South Australian Branch

In response to your letter dated 7 February 2012 regarding "Financial Reporting matter re: 051V-SA Health Services Union-South Australian Branch". I would like to advise you that:

- The Committee of Management's statement and operating report was prepared and approved at our Committee of Management meeting held on 17 July 2011.
- The general purpose financial report was prepared by our auditor's and subsequently signed by our auditor on 11 November 2011; followed by Committee of Management's approval at the Committee of Management held on 31 November 2011.
- Members have been provided with full report by posting it in our website our website on 18 January 2012. However we have been having technical difficulties and this report was posted a second time on 27 February 2011.
- The report has been presented and approved by the South Australian Branch Committee of Management meeting held on 12 December 2011. The General Meeting called for 22nd of February 2012 lapsed due to lack of quorum.
- A copy of the full report is attached with this correspondence.

Thank you for your patience.

If you have any queries please give me a call on 0419 036 615

Yours sincerely

A handwritten signature in black ink, appearing to read 'Jorge Navas'.

Jorge Navas
Branch Secretary
28th Feb 2012

FR2011/2736



HEALTH SERVICES UNION SA BRANCH

Audited Financial Statements and Reports
Year Ended 30 June 2011



**JACOBS, NOBLE
& ASSOCIATES**

Chartered Accountants
Integrated Business Services

**HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510**

**FINANCIAL REPORT
FOR THE YEAR ENDED
30 JUNE 2011**

**Liability limited by a scheme approved under
Professional Standards Legislation**

**HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510**

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HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510

INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011

	Note	2011 \$	2010 \$
Revenue	2	296,061	285,442
Other income	2	-	(2,386)
		296,061	283,056
Accountancy expenses		(6,876)	(6,812)
Advertising expenses		(450)	(2,447)
Depreciation and amortisation expenses		(11,789)	(5,690)
Employee benefits expenses		(93,762)	(89,504)
Other expenses		(144,555)	(163,774)
Surplus for the year	3	38,629	14,829
Total comprehensive income for the year		38,629	14,829
Total comprehensive income attributable to members of the entity		38,629	14,829

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510

BALANCE SHEET
AS AT 30 JUNE 2011

	Note	2011 \$	2010 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	4	258,585	227,905
Trade and other receivables	5	554	-
TOTAL CURRENT ASSETS		<u>259,139</u>	<u>227,905</u>
NON-CURRENT ASSETS			
Property, plant and equipment	6	26,508	34,208
TOTAL NON-CURRENT ASSETS		<u>26,508</u>	<u>34,208</u>
TOTAL ASSETS		<u>285,647</u>	<u>262,113</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	7	3,161	11,433
Financial liabilities	8	-	4,479
Provisions	9	129,415	131,759
TOTAL CURRENT LIABILITIES		<u>132,576</u>	<u>147,671</u>
TOTAL LIABILITIES		<u>132,576</u>	<u>147,671</u>
NET ASSETS		<u>153,071</u>	<u>114,442</u>
EQUITY			
Retained earnings	10	153,071	114,442
TOTAL EQUITY		<u>153,071</u>	<u>114,442</u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Note	Retained earnings \$	Total \$
Balance at 1 July 2010		114,442	114,442
Surplus attributable to members		38,629	38,629
Balance at 30 June 2011		153,071	153,071

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	296,061	285,442
Payments to suppliers and employees	(247,988)	(237,629)
Net cash provided by operating activities	<u>48,073</u>	<u>47,813</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	-
Payments for other current assets	(2,640)	(25,597)
Net cash provided by (used in) investing activities	<u>(2,640)</u>	<u>(25,597)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from borrowings	-	2,179
Repayment of borrowings	(12,751)	-
Net cash provided by financing activities	<u>(12,751)</u>	<u>2,179</u>
Net increase in cash held	32,682	24,395
Cash at beginning of financial year	<u>225,903</u>	<u>201,508</u>
Cash at end of financial year	<u>258,585</u>	<u>225,903</u>

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1 Statement of Significant Accounting Policies

The financial report covers HEALTH SERVICES UNION - SA BRANCH as an individual entity. HEALTH SERVICES UNION - SA BRANCH is an entity under the Fair Work (Registered Organisations) Act 2009.

Basis of Preparation

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of these financial reports are presented below and have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Accounting Policies

Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

HEALTH SERVICES UNION - SA BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets' employment and subsequent disposal. The expected net cash flows have been discounted to their present values in determining recoverable amounts.

The cost of fixed assets constructed within the association includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the association and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation

The depreciable amount of all fixed assets including building and capitalised lease assets is depreciated on a straight-line basis over the asset

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at the end of the reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of comprehensive income. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

Financial Instruments

Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the association commits itself to either purchase or sell the asset (ie trade date accounting adopted).

Financial instruments are initially measured at fair value plus transactions costs except where the instrument is classified 'at fair value through profit or loss' in which case transaction costs are expenses to profit or loss immediately.

**HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Impairment of Assets

At the end of each reporting period, the association assesses whether there is any indication that an asset may be impaired. The assessment will include considering external and internal sources of information. If such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Employee Benefits

Provision is made for the association's liability for employee benefits arising from services rendered by employees at the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

Employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash outflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cash flows.

Provisions

Provisions are recognised when the association has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

Revenue and Other Income

Revenue is measured at the fair value of the consideration received or receivable after taking into account any trade discounts and volume rebates allowed. Any consideration deferred is treated as the provision of finance and is discounted at a rate of interest that is generally accepted in the market for similar arrangements. The difference between the amount initially recognised and the amount ultimately received is interest revenue.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the end of the reporting period and where outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

Revenue from the provision of membership subscriptions is recognised on a straight line basis over the financial year.

Comparative Figures

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

The 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 sub-sections (1), (2) and (3) of Section 272, which reads:-

(1) A member of a reporting unit, or register, 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 sub-section (1).

HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
2 Revenue and Other Income		
Revenue		
Sales revenue:		
Rendering of services	296,061	285,442
Total revenue	296,061	285,442
Other income		
Loss on Sale of Non-current Assets	-	(2,386)
Total other income	-	(2,386)
3 Surplus		
Expenses		
Depreciation of property, plant and equipment	8,405	5,690
Revenue and Other Income		
Loss on Sale of Non-current Assets	-	(2,386)
4 Cash and Cash Equivalents		
Credit Union Cheque Account	18,219	24,121
Bendigo Cheque A/C	238,364	201,782
CPS Credit Union	2,000	2,000
CPS Credit Union Shares	2	2
	258,585	227,905
Reconciliation of cash		
Cash at the end of the financial year as shown in the cash flows statement is reconciled to the related items in the balance sheet as follows:		
Cash and cash equivalents	258,585	227,905
	258,585	227,905
5 Trade and Other Receivables		
Current		
Loan - Employees	554	-

HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
<p>The association does not hold any financial assets whose terms have been renegotiated, but which would otherwise be past due or impaired.</p>		
6 Property, Plant and Equipment		
Office Furniture & Equipment	12,740	8,651
Less: Accumulated Depreciation	(8,789)	(7,905)
	3,951	746
Motor Vehicles	31,818	51,949
Less: Accumulated Depreciation	(9,261)	(18,487)
	22,557	33,462
Total Plant and Equipment	26,508	34,208
Total Property, Plant and Equipment	26,508	34,208

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

Freehold Land	Buildings	Plant and Equipment	Leased Plant and Equipment	Total
\$	\$	\$	\$	\$
NIL	NIL	NIL	NIL	NIL

7 Trade and Other Payables

Current

Visa	752	960
Other Creditors	2,409	1,585
Trade Creditors	-	4,054
Payroll Liabilities	-	4,834
	3,161	11,433

Financial liabilities at amortised cost classified as and other payables:

Trade and other payables:		
- Total current	3,161	11,433
Financial liabilities as trade and other payables		

HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$

11 Association Details

The registered office of the association is: 46 Greenhill Road, Wayville, South Australia

The principal place of business is: 46 Greenhill Road, Wayville, South Australia

12 Employee Benefits to Elected Officers
Elected Office Holders

Total income received, or due and receivable, by all non office holders of each entity in the economic entity from the union, related bodies corporate, or controlled entities.

Total	<u>86,047</u>	<u>82,140</u>
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Non Office Holders

Total income received, or due and receivable, by all non office holders of each entity in the economic entity from the union, related bodies corporate, or controlled entities.

Total	<u>33,266</u>	<u>26,315</u>
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HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510

COMMITTEE OF MANAGEMENT STATEMENT

On 20/5 2011 the Branch Committee of Management of the Health Services Union of Australia South Australia Branch passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the year ended 30 June 2011.

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 Industrial Registrar;
- (c) the financial report and notes give a true and fair view of the financial performance, financial position, changes in equity and cash flows of the branch for the financial year ended 30 June 2011.
- (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 financial year ended 30 June 2011 and since the end of the financial year;
 - (i) meetings of the Branch 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 records of the Branch have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; 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 of the organisation; and
 - (v) no information has been sought in any request of a member of the branch or a Registrar under section 272 of the RAO Schedule; and
 - (vi) no order for inspection of the financial records was made by the Commission under section 273 of the RAO Schedule.
- (f) During the financial year ended 30 June 2011 the Branch did not participate in any recovery of wages activity.
- (g) Principle activities during the financial year were: Union Activities. No significant change in the nature of these activities occurred during the year.
- (h) A surplus for the year ended 30 June 2011 amounted to \$38,629

For the Branch Committee of Management

31 Oct 11
BRANCH SECRETARY

Date: _____

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510**

Report on the Financial Report

We have audited the accompanying financial report of HEALTH SERVICES UNION - SA BRANCH (the association) which comprises the balance sheet as at 30 June 2011 and the income statement, statement of changes in equity and expenditure and cash flow statement for the year ended on that date, a summary of significant accounting policies, and other explanatory notes and the statement by members of the committee.

Committee's Responsibility for the Financial Report

The committee of the association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009. This responsibility includes designing, implementing 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.

Auditors' 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditors consider 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, 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 Australian professional ethical pronouncements.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF HEALTH SERVICES UNION - SA BRANCH
A.B.N 358 98 865 510**

Auditors' Opinion

In our opinion:

The general purpose financial report of HEALTH SERVICES UNION OF AUSTRALIA SA BRANCH is in accordance with the Fair Work (Registered Organisations) Act 2009:

- (i) giving a true and fair view of the Association's financial position as at 30 June 2011 and of their performance for the year ended on that date; and
- (ii) complying with the Australian Accounting Standards (including Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009.

Name of Firm: Jacobs Noble & Associates
Chartered Accountants

Name of Director:


Stephen J Noble
Registered Company Auditor No. 5445

Address: 1 Alexandra Avenue, Rose Park SA 5067

Dated this 11th **day of** November **2011**

