



25 February 2016

Mr Jorge Navas  
Secretary  
South Australia/Northern Territory Branch  
Health Services Union  
[jorge@hsusant.org.au](mailto:jorge@hsusant.org.au) and [info@hsusant.org.au](mailto:info@hsusant.org.au)

CC: SJN CA Pty Ltd, Attn, Stephen Noble by email: [info@sinca.com.au](mailto:info@sinca.com.au)  
CC: Chris Brown, National Secretary, by email: [chrisb@hsu.net.au](mailto:chrisb@hsu.net.au)

Dear Mr Navas,

**Health Services Union - South Australia/Northern Territory Branch  
Financial Report for the year ended 30 June 2015 - [FR2015/306]**

I acknowledge receipt of the financial report of the Health Services Union - South Australia/Northern Territory Branch. The documents were lodged with the Fair Work Commission on 6 January 2016. Further information was received on 17 and 24 February 2016.

The financial report has now been filed.

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

**Continuing non-compliance with previous requests**

The last two financial reports of the reporting unit have remained unfiled until further information was lodged, in each instance the branch had not complied with previous requests concerning non-compliance. Some of these issues have now been non-compliant over multiple years. While no further action is required in relation to this year's report, the issues are summarised in this correspondence and the Commission will not file next year's report if they are not complied with.

If the reporting unit is once again non-compliant next year, the matter will be brought to the attention of the Compliance Team. This may result in an inquiry or investigation being commenced by the General Manager under her powers in the RO Act.

I remind the officers of the union of their duties under sections 285 and 287 of the RO Act in relation to the financial management of the union. These sections require officers to exercise their powers and discharge their duties with care and diligence, in the best interest of the organisation and not to cause detriment to the organisation (these are civil penalty provisions). It is incumbent on the officers of the union to take appropriate steps to address the continuing non-compliance of the branch.

**Advanced Compliance Review**

Given the branch's continuing non-compliance on these issues, please note that the financial report for the year ending 30 June 2016 will be subject to an advanced compliance review.

An advanced compliance review will confirm compliance with all relevant elements of the RO Act, the Australian Accounting Standards, and the Reporting Guidelines. Under an advanced compliance review a reporting unit that is found to be non-compliant may be required to redraft their financial report, provide it to the auditor, provide it to the members, present it to a meeting and re-lodge it with the Commission before a financial report is filed.

### **Lodging documents with the Commission**

I note that the reporting unit purported to lodge its financial report directly to an email address of an individual staff member. This staff member has since left employment with the Commission. Consequently the report was not received by the branch until it was re-sent in January. This put it outside of the 14 day window for lodgement under the RO Act.

All email lodgments to the Regulatory Compliance Branch **must** be made to [orgs@fwc.gov.au](mailto:orgs@fwc.gov.au). Lodgments to individual email addresses will not be accepted and will not count as lodged.

### **Issues that must be addressed in next year's report**

#### **Concerns arising from the 2015 report**

##### Disclosure of grants or donations

Reporting Guideline 16(e) requires that where grants or donations have been paid, the total amount paid is to be disclosed as follows:

- (i) grants that were \$1,000 or less;
- (ii) grants that exceeded \$1,000;
- (iii) donations that were less than \$1,000; and
- (iv) donations that exceeded \$1,000

Please note that Reporting Guideline 17 states that if any of the activities identified in Paragraph 16 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. Please ensure that next year's report includes these line items even if the figures are NIL.

##### Disclosure of payables in respect of legal costs

Reporting Guideline 20(b) requires a payable in relation to legal costs to be disclosed by litigation and by other legal matters. Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. I note that for litigation and other legal matters no such disclosure has been made. Please ensure that next year's report includes these line items even if the figures are NIL.

#### **Continuing non-compliance issues from previous reports**

I note that information was supplied to correct these non-compliance issues in the 2015 report on 17 and 24 February 2016. As these issues have now occurred without resolution over multiple years, the Commission reminds the reporting unit that these must be appropriately disclosed in the 2016 financial report.

##### Auditor's report: declaration regarding going concern

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included.

##### Key management personnel

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
- Other long term employee benefits
- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.

Note 6 provides the breakdown of employee expenses between office holders and employees other than office holders and related party transactions are mentioned briefly in note 5. However, these requirements are separate to the requirement to provide a key management personnel note.

#### Disclosure of employee expenses for office holders and other employees

The Reporting Guidelines require reporting units to disclose in the statement of comprehensive income or in the notes to the financial statements employee expenses for holders of office (Paragraph 16(f)) and employee expenses for other employees (Paragraph 16(g)). The Reporting Guidelines also require these expenses to be separately disclosed as follows:

- wages and salaries;
- superannuation;
- leave and other entitlements;
- separation and redundancies; and
- other employee expenses.

Please note that Reporting Guideline 17 states that if any of the activities identified in Paragraph 16 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. Note 6 provides information for office holders and employees in relation to salary and wages and superannuation, but does not mention leave and other entitlements, separation and redundancies or other.

#### Disclosure of employee provisions to office holders and other employees

The Reporting Guidelines also require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (Paragraphs 20(c) and 20 (d)). The Reporting Guidelines also require these provisions to be separately disclosed as follows:

- annual leave;
- long service leave;
- separation and redundancies; and
- other employee provisions.

Please note that Reporting Guideline 21 states that if any of the activities identified in Paragraph 20 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. Note 13 provides information for office holders and other employees in relation to annual leave and long service leave, but does not mention separation and redundancies or other.

#### Capitation Fees

The Reporting Guidelines define capitation fees as amounts paid to another reporting unit under the rules of the organisation or branch for the purposes of ongoing general administrative expenses.

Note 3 Affiliation fees discloses expenditure of \$16,637 to the Health Services Union. If this expenditure fits the definition of 'capitation fees' set out above, it is preferable that this terminology be used in order to accurately reflect the income and expenditure of the Branch.

If you have any queries regarding this letter, please contact me on (03) 8656 4698 or via email at [catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au).

Kind regards



**CATHERINE BEBBINGTON**  
Regulatory Compliance Branch

**FAIR WORK COMMISSION**

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Fair Work Commission  
11 Exhibition Street  
Melbourne VIC 3000

Attn: Catherine Bebbington

Dear Catherine,

**HSUSANT Branch Financial report for the year ended 30 June 2015 – [FR2015/306]**

In response to your letter dated 9<sup>th</sup> February 2016, I advise as follows:

Key management personnel

As discussed, please see an outline of the key management personnel disclosure (not included within the financial statements previously provided to Fair Work) utilising the pro-forma note disclosures:

**Key Management Personnel Remuneration for the Reporting Period**

I, Jorge Navas, Secretary HSU SA/NT, am considered a key management personnel as I have authority and responsibility for planning, directing and controlling the activities of the Health Services Union. Note disclosure below relates only to those benefits paid / due to myself.

	2015	2014
<b>Short-term employee benefits</b>		
Salary and wages	104,225	109,700
Annual leave accrued (net)	7,927	1,337
Provision for back-pay	-	13,000
<b>Total short-term employee benefits</b>	<b>112,154</b>	<b>124,037</b>
<b>Post-employment benefits:</b>		
Superannuation	9,901	10,089
<b>Total post-employment benefits</b>	<b>9,901</b>	<b>10,089</b>
<b>Other long-term benefits:</b>		
Long-service leave	4,036	8,935
<b>Total other long-term benefits</b>	<b>4,036</b>	<b>8,935</b>
<b>Termination benefits</b>	-	-
<b>Total</b>	<b>126,091</b>	<b>143,061</b>

**Transactions with key management personnel and their close family members**

	2015	2014
<b>Other transactions with key management personnel</b>		
Payments to Jorge Navas' daughter for clerical services provided	<b>11,219</b>	14,582

**Disclosure of employee expenses for office holders and other employees**

I draw your attention to Note 13 within the financial statements provided, which details the leave entitlements due for office holders and other employees. Further, I confirm there are no other expenses incurred in respect to the office holder and other employees relating to entitlements, separation and redundancies and other outside of those disclosed in Note 6 and Note 13.

**Disclosure of employee provisions to office holders and other employees**

I draw your attention to Note 13 within the financial statements provided, which details the leave entitlements due for office holders and other employees. Further, I confirm there are no other benefits due to the office holder and other employees relating to separation and redundancies and other employee provisions outside of those disclosed in Note 13.

Please do not hesitate to contact me if you have any queries in regards to the above.

Yours sincerely,



Jorge Navas  
**STATE SECRETARY HSU SAINT**  
24<sup>th</sup> February 2016



15<sup>th</sup> February 2016

Fair Work Commission  
11 Exhibition Street  
Melbourne VIC 3000

Attn: Catherine Bebbington

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www.sjnca.com.au

Dear Catherine,

**Health Services Union – South Australia / Northern Territory Branch  
Financial report for the year ended 30 June 2015 – [FR2015/306]**


In response to your letter dated 9<sup>th</sup> February 2016, I advise as follows:

Auditor's report: declaration regarding going concern

In addition to our auditor's report as included within the financial statements submitted to Fair Work and dated 24<sup>th</sup> November 2015, we believe Management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Please do not hesitate to contact me if you have any queries in regards to the above.

Kind regards,



Stephen J Noble  
Director  
SJN Chartered Accountants

**Directors**  
Stephen Noble, FCA  
Mitchell Noble, CA  
Adam Drabsch, CA  
Joshua Walding, CA





9 February 2016

Mr Jorge Navas  
Secretary  
South Australia/Northern Territory Branch  
Health Services Union  
[jorge@hsusant.org.au](mailto:jorge@hsusant.org.au) and [info@hsusant.org.au](mailto:info@hsusant.org.au)

CC: SJN CA Pty Ltd, Attn, Stephen Noble by email: [info@sinca.com.au](mailto:info@sinca.com.au)

Dear Mr Navas,

**Health Services Union - South Australia/Northern Territory Branch  
Financial Report for the year ended 30 June 2015 - [FR2015/306]**

I acknowledge receipt of the financial report of the Health Services Union - South Australia/Northern Territory Branch. The documents were lodged with the Fair Work Commission on 6 January 2016.

The financial report has **not** been filed.

**Non-compliance with previous requests**

While we filed last year's financial report following the lodgement of further information, we raised certain issues for the reporting unit to address in the preparation of future financial reports. Some of these issues had been raised in respect of prior financial reports and have now been non-compliant for multiple years.

The report cannot be filed until the following issues have been addressed:

**Auditor's report: declaration regarding going concern**

Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate. This declaration was not included in the auditor's statements.

**Key management personnel**

Australian Accounting Standard *AASB 124 Related Party Disclosures* paragraph 17 requires the General Purpose Financial Report to disclose within the statements or the notes compensation paid to key management personnel.

This normally includes a listing of the key management personnel for the organisation, the total amount of compensation paid to all key management personnel, and then totals for each of the following categories:

- Short term employee benefits
- Post employment benefits
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- Termination benefits
- Any share based payments.

The definition for these categories can be found within accounting standard *AASB 119: Employee Benefits*.



Note 6 provides the required breakdown of employee expenses between office holders and employees other than office holders and related party transactions are mentioned briefly in note 5. However, neither of these notes provides the Key Management Personnel note as required by the AASB.

#### Disclosure of employee expenses for office holders and other employees

The Reporting Guidelines require reporting units to disclose in the statement of comprehensive income or in the notes to the financial statements employee expenses for holders of office (Paragraph 16(f)) and employee expenses for other employees (Paragraph 16(g)). The Reporting Guidelines also require these expenses to be separately disclosed as follows:

- wages and salaries;
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Please note that Reporting Guideline 17 states that if any of the activities identified in Paragraph 16 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. Note 6 provides information for office holders and employees in relation to salary and wages and superannuation, but does not mention leave and other entitlements, separation and redundancies or other.

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The Reporting Guidelines also require either the statement of financial position or the notes to disclose any liability for employee benefits in respect of office holders and other employees (Paragraphs 20(c) and 20 (d)). The Reporting Guidelines also require these provisions to be separately disclosed as follows:

- annual leave;
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- other employee provisions.

Please note that Reporting Guideline 21 states that if any of the activities identified in Paragraph 20 have not occurred in the reporting period, a statement to this effect must be included in the GPFR. Note 13 provides information for office holders and other employees in relation to annual leave and long service leave, but does not mention separation and redundancies or other.

This information must be supplied to the Commission before the report can be filed.

If you have any queries regarding this letter, please contact me on (03) 8656 4698 or via email at [catherine.bebbington@fwc.gov.au](mailto:catherine.bebbington@fwc.gov.au).

Kind regards



**CATHERINE BEBBINGTON**  
Regulatory Compliance Branch

#### **FAIR WORK COMMISSION**

Tel: 03 8656 4698

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*Working for a healthier community*

**Health Services Union South Australia**  
s.268 *Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 30 June 2015

I, Jorge Navas, being the Branch Secretary of the Health Services Union South Australia Branch certify:

- that the documents lodged herewith are copies of the full report for the Health Services Union South Australia for the period ended 30 June 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 26 November 2015; and
- that the full report was presented to meeting of the branch committee of management of the reporting unit on 15 December 1015 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to read 'Jorge Navas', is written over a light blue horizontal line.

Name of prescribed designated officer: Jorge Navas

Title of prescribed designated officer: Branch Secretary

Dated: 20<sup>th</sup> December 2015

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

**FINANCIAL REPORT  
FOR THE YEAR ENDED  
30 JUNE 2015**

**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**

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 30 JUNE 2015**

	Note	2015 \$	2014 \$
Revenue	2	370,149	346,408
		<u>370,149</u>	<u>346,408</u>
Accountancy Expenses		(15,383)	(9,924)
Affiliation Fees	3	(22,213)	(20,821)
Contract Expenses	4	(1,268)	(5,236)
Other Contractors	5	(11,219)	(14,582)
Depreciation and Amortisation Expenses		(11,746)	(12,093)
Employee benefits expense	6	(214,540)	(227,797)
Meetings Expenses		(3,394)	(4,175)
Travel & Accommodation		(10,506)	(12,289)
Provision for Employee Entitlements		(13,394)	53,409
Other expenses	7	(77,198)	(73,142)
Surplus/(Deficit) for the Year		(10,712)	19,758
<b>Total Comprehensive Income/(Loss) for the Year</b>		<u>(10,712)</u>	<u>19,758</u>
Total comprehensive income attributable to members of the entity		<u>(10,712)</u>	<u>19,758</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	9	393,499	362,616
Prepayments		<u>12,292</u>	<u>-</u>
<b>TOTAL CURRENT ASSETS</b>		<u>405,791</u>	<u>362,616</u>
<b>NON CURRENT ASSETS</b>			
<b>Fixed Assets</b>			
Property, plant and equipment	10	<u>37,280</u>	<u>35,138</u>
<b>TOTAL NON CURRENT ASSETS</b>		<u>37,280</u>	<u>35,138</u>
<b>TOTAL ASSETS</b>		<u>443,071</u>	<u>397,754</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts Payable and Other Payables	11	69,132	23,001
GST Account	12	4,593	8,088
Provisions	13	<u>110,604</u>	<u>97,211</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>184,329</u>	<u>128,300</u>
<b>TOTAL LIABILITIES</b>		<u>184,329</u>	<u>128,300</u>
<b>NET ASSETS</b>		<u>258,742</u>	<u>269,454</u>
<b>EQUITY</b>			
Retained earnings	14	<u>258,742</u>	<u>269,454</u>
<b>TOTAL EQUITY</b>		<u>258,742</u>	<u>269,454</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**  
**AS AT 30 JUNE 2015**

	Note	Retained earnings \$	Total \$
Balance at 1 July 2013		249,696	249,696
Surplus/(Deficit) attributable to members		19,758	19,758
<b>Closing balance at 30 June 2014</b>		<u>269,454</u>	<u>269,454</u>
Surplus/(Deficit) attributable to members		(10,712)	(10,712)
<b>Closing balance at 30 June 2015</b>		<u>258,742</u>	<u>258,742</u>

The accompanying notes form part of these financial statements.



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

**STATEMENT OF CASHFLOWS**  
**AS AT 30 JUNE 2015**

	Note	2015 \$	2014 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from operations		353,509	342,150
Interest received		4,348	4,258
Payments to suppliers and employees		(283,804)	(317,277)
Payments to associated reporting units			
Health Services Union		(18,300)	(17,301)
Australian Labour Party		(2,080)	(1,878)
SA Unions		(8,428)	(3,724)
SA May Day		(200)	-
<b>Net cash provided by operating activities</b>	<b>15</b>	<u>45,045</u>	<u>6,228</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for property, plant & equipment		(14,212)	(635)
<b>Net cash provided by (used in) investing activities</b>		<u>(14,212)</u>	<u>(635)</u>
Net increase / (decrease) in cash held		30,833	5,593
Cash at beginning of financial year		362,616	357,023
<b>Cash at end of financial year</b>	<b>9</b>	<u>393,499</u>	<u>362,616</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**  
**AS AT 30 JUNE 2015**

**1 Statement of Significant Accounting Policies**

The financial statements 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 statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements.

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

**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.

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**  
**AS AT 30 JUNE 2015**

**Plant and equipment**

Plant and equipment are measured on the cost basis and are therefore carried at cost less accumulated depreciation and any accumulated impairment losses.

In the event the carrying value of plant and equipment is greater than the estimated recoverable amount, the carrying value is written down immediately to the estimated recoverable amount. A formal assessment of recoverable amount is made when impairment indicators are present.

The cost of fixed assets constructed within the organisation 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 organisation 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 depreciation method and useful life used for items of property, plant and equipment (excluding freehold land) reflects the pattern in which their future economic benefits are expected to be consumed by the organisation. Depreciation commences from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. The depreciation method and useful life of assets is reviewed annually to ensure they are still appropriate.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each 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 or losses are recognised in profit or loss. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.



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

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2015**

**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 organisation commits itself to either purchase or sell the asset (i.e. 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 expensed to profit or loss immediately.

**Impairment of Assets**

At the end of each reporting period, the organisation assesses whether there is any indication that an asset may be impaired. The assessment will consider both 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 that asset, being the higher of the asset's fair value less costs to sell and its value-in-use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is immediately recognised in profit or loss.

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

Impairment testing is performed annually for goodwill and intangible assets with indefinite lives.

**Accounts Receivable and Other Receivables**

Accounts receivable are recognised initially at the transaction price (i.e. cost) and are subsequently measured at cost less provision for impairment. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets.

At the end of each reporting period, the carrying amount of accounts receivable and other receivables are reviewed to determine whether there is any objective evidence that the amounts are not recoverable. If so, an impairment loss is recognised immediately in statement of comprehensive income.

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

**NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30 JUNE 2015**

**Employee Benefits**

Provision is made for the organisation'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.

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 organisation 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 statement of financial position.

**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. For this purpose, deferred consideration is not discounted to present values when recognising revenue.

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

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT 30 JUNE 2015**

**Trade and Other Payables**

Trade and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the organisation during the reporting period, which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of liability.

**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).

**Comparative Figures**

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

**Going Concern**

**(1) Going Concern**

The Branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

**(2) Financial Support**

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

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**  
**AS AT 30 JUNE 2015**

	2015	2014
	\$	\$
<b>2 Revenue and Other Income</b>		
<b>Revenue</b>		
Membership subscriptions	365,801	342,150
Interest Received	<u>4,348</u>	<u>4,258</u>
Total revenue	<u>370,149</u>	<u>346,408</u>
<b>3 Affiliation Fees</b>		
Australian Labor Party	1,891	1,707
SA Unions	3,437	3,385
Health Services Union	16,637	15,729
Other	<u>248</u>	<u>-</u>
	<u>22,213</u>	<u>20,821</u>
<b>4 Contractors</b>		
Data Processing	<u>1,268</u>	<u>5,236</u>
	<u>1,268</u>	<u>5,236</u>
<b>5 Other Contractors</b>		
Other contractors comprises related party transactions to the Elected Office Holder's daughter for fee for service of clerical support. The hours of fee for service vary depending on the workload however an average of 9 hours per week are rendered.		
Related Party Transactions	<u>11,219</u>	<u>14,582</u>
	<u>11,219</u>	<u>14,582</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**  
**AS AT 30 JUNE 2015**

	2015	2014
	\$	\$
<b>6 Employee Expenses</b>		
<b>Office Holders</b>		
Total income received, or due and receivable, by all office holders of each entity in the economic entity from the union, related bodies corporate, or controlled entities recognised as Related Party Transactions comprising of 1 officer who is an employee of the organisation as measured on a fulltime basis.		
Salaries & Wages	104,225	109,700
Superannuation	9,901	10,089
Provision for back-pay	-	13,000
Fringe Benefits Tax	-	-
	114,126	132,789
<b>Employees other than office holders</b>		
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 recognised as Related Party Transactions comprising of 1 employee of the organisation as measured on a full-time basis.		
Salaries and Wages	89,654	84,829
Superannuation	10,760	10,179
	100,414	95,008

**7 Other Expenses**

Other Expenses included in the Statement of comprehensive income do not include any items that require separate disclosure considering these items are individually less than 10% of the total expenses incurred.

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**  
**AS AT 30 JUNE 2015**

	2015	2014
	\$	\$
<b>9 Cash and Cash Equivalents</b>		
Credit Union Cheque Account	4,121	5,447
Bendigo Cheque A/C	387,340	355,167
CPS Credit Union	2,000	2,000
CPS Credit Union Shares	2	2
Cash on hand	36	-
	<u>393,499</u>	<u>362,616</u>
<b>Reconciliation of cash</b>		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash and cash equivalents	<u>393,499</u>	<u>362,616</u>
	<u>393,499</u>	<u>362,616</u>
<b>10 Property, Plant and Equipment</b>		
Office Furniture & Equipment	19,316	15,389
Less: Accumulated Depreciation	<u>(6,720)</u>	<u>(13,163)</u>
	<u>12,596</u>	<u>2,226</u>
Motor Vehicles	56,835	56,835
Less: Accumulated Depreciation	<u>(32,151)</u>	<u>(23,923)</u>
	<u>24,684</u>	<u>32,912</u>
<b>Total Plant and Equipment</b>	<u>37,280</u>	<u>35,138</u>
<b>Total Property, Plant and Equipment</b>	<u>37,280</u>	<u>35,138</u>

**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.

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**  
**AS AT 30 JUNE 2015**

	2015	2014
	\$	\$
	<b>Office furniture &amp; equipment</b>	<b>Motor vehicles</b>
	\$	\$
	<b>Total</b>	<b>Total</b>
	\$	\$
Opening balance 1 July 2014	2,226	32,912
Additions	14,212	-
Disposals	(324)	-
Revaluation Decrements	-	-
Impairment Loss	-	-
Depreciation	(3,518)	(8,228)
Closing balance at 30 June 2015	12,596	24,684
	35,138	14,212
	(324)	(324)
	-	-
	-	-
	(11,746)	(11,746)
	37,280	37,280

**11 Accounts Payable and Other Payables**

**Current**

Visa	89	(6,737)
Visa 2	(4)	(655)
Other payables	18,259	1,863
Payroll liabilities	31,545	23,598
Amounts withheld	5,217	4,932
Accrued expenses	15,318	-
Reimbursements – J Navas & Paul Ingliss	(1,292)	-
	69,132	23,001

**12 GST Liabilities**

**Current**

GST payable	4,593	8,088
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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**  
**AS AT 30 JUNE 2015**

	2015	2014
	\$	\$
<b>13 Provisions</b>		
<b>Provision for Annual Leave</b>		
Opening Balance at 1 July 2014	37,709	28,421
Additional provision raised during year	20,316	32,183
Amounts used/paid out	<u>(10,959)</u>	<u>(22,896)</u>
Balance at 30 June 2015	<u>47,066</u>	<u>37,709</u>
<b>Provision for Long Service Leave</b>		
Opening Balance at 1 July 2014	59,502	50,567
Additional provision raised during year	4,036	8,935
Amounts used/paid out	<u>-</u>	<u>-</u>
Balance at 30 June 2015	<u>63,538</u>	<u>59,502</u>
<b>Total provisions</b>	<u>110,604</u>	<u>97,211</u>
<b>Analysis of Total Provisions</b>		
Current	<u>110,604</u>	<u>97,211</u>
	<u>110,604</u>	<u>97,211</u>
<b>Office Holders</b>		
Provision For Annual Leave	34,500	26,573
Provision for Long Service Leave	<u>63,538</u>	<u>59,502</u>
	<u>98,038</u>	<u>86,075</u>
<b>Employees other than office holders</b>		
Provision for Annual Leave	<u>12,566</u>	11,136
	<u>12,566</u>	11,136
<b>Provisions Total</b>	<u>110,604</u>	<u>97,211</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**  
**AS AT 30 JUNE 2015**

	2015	2014
	\$	\$
<b>14 Retained Earnings</b>		
Retained earnings at the beginning of the financial year	269,454	249,696
Net surplus/(deficit) attributable to the organisation	(10,712)	19,758
Retained earnings at the end of the financial year	258,742	269,454
<b>15 Cash Flow Information</b>		
<b>Reconciliation of Cash Flow from Operations with Profit after Income Tax</b>		
Profit/(Deficit) after Income Tax	(10,712)	19,758
<b>Adjustment for non-cash activities</b>		
Depreciation	11,746	12,093
Loss on fixed assets written off	324	
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in prepayments	(12,292)	-
Increase/(decrease) in GST payable	(3,495)	72
Increase/(decrease) in provision for employee entitlements	13,394	(53,408)
Increase/(decrease) in payables	46,130	27,713
Net Cash from Operating Activities per Cash Flow	45,095	6,228

**16 Organisation Details**

The registered office of the organisation is: 170 Greenhill Road, Parkside, South Australia

The principal place of business is: 170 Greenhill Road, Parkside, South Australia

The accompanying notes form part of these financial statements.



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

COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2015

On the 24 NOV 2015 the Committee of Management of the Health Services Union – SA Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2015:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPRF relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the report period.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer: 

Name and title of designated officer: JORGE NAVAS STATE SECRETARY

Dated: 24 NOV 2015

The accompanying notes form part of these financial statements.



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## **Independent auditor's report to the members of Health Services Union – SA Branch**

### ***Report on the Financial Report***

We have audited the accompanying financial report of Health Services Union – SA Branch (the organisation) which comprises the statement of financial position as at 30 June 2015 and the statement of comprehensive income and statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory information and the statement by members of the committee.

### ***Committee's Responsibility for the Financial Report***

The committee of the organisation is responsible for the preparation and fair presentation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and Fair Work (Registered Organisations) Act 2009 and for such internal control as the committee determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We have conducted our audit in accordance with Australian Auditing Standards. Those 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 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 Board, 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.

**Directors**  
Stephen Noble, FCA  
Mitchell Noble, CA  
Adam Drabsch, CA  
Joshua Walding, CA



### **Auditor's Opinion**

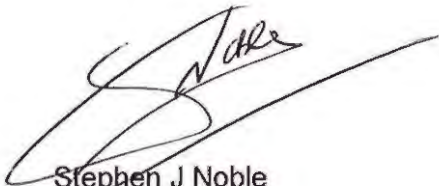
In our opinion, the financial report of Health Services Union – SA Branch is prepared in accordance with the Fair Work (Registered Organisations) Act 2009 (RO Act), including:

- (a) giving a true and fair view of the organisation's financial position as at 30 June 2015 and of its financial performance for the year ended on that date; and
- (b) complying with the Australian Accounting Standards, including Australian Accounting interpretations and the Fair Work (Registered Organisations) Act 2009 and the requirements imposed by Part 3 of Chapter 8 of the RO Act.

### **Basis of Accounting**

Without further modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the organisation's financial reporting responsibilities under the RO Act. As a result, the financial report may not be suitable for another purpose.

SJN Chartered Accountants



Stephen J Noble  
Director  
Adelaide  
24<sup>th</sup> November 2015

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 30<sup>th</sup> June 2015 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 30<sup>th</sup> June 2015.

**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 officer, employee and/or officials of the reporting unit held reserved positions in such entities.

The number of Members at the end of the financial year was 974.

The number of persons who were employees of the Branch at the end of the financial year was 02.

**Members of the Committee of Management**

The persons holding office during the 2014/2015 year were:

Anthony Newman	01 Jul 2014 to 30 Jun 2015;
Bruno Sonza	01 Jul 2014 to 30 Jun 2015;
John Hristopoulos	01 Jul 2014 to 30 Jun 2015;
Karryn Sampson	07 Aug2014 to 30 Jun 2015;
Lesley Dummin	01 Jul 2014 to 30 Jun 2015;
Thomas Di Santo	01 Jul 2014 to 30 Jun 2015;
Mark Panes	01 Jul 2014 to 30 Jun 2015;
Mark Fearenside	01 Jul 2014 to 07 Aug2014;
John Drysdale	01 Jul 2014 to 30 Jun 2015;
Riccardo Iannella	01 Jul 2014 to 30 Jun 2015;
Sandra Alstin;	01 Jul 2014 to 30 Jun 2015;
Tony Hewitt	01 Jul 2014 to 30 Jun 2015; and
Jorge Navas	01 Jul 2014 to 30 Jun 2015;

Jorge Navas  
BRANCH SECRETARY



16 Nov 2015





## DECLARATION

---

In the matter of:

**Provision of certain information required to be provided in accordance with Rule 86 -**

I, Jorge Navas, of the Health Services Union South Australian/Northern Territory, declare the following information is a correct statement of the information required to be provided under the rules of the Health Services Union.

1. No board member received fee for the period of 2014-2015 financial year;
2. I am not appointed to any board or directorship;
3. The highest paid officer in the financial year ending 30 June 2015 was myself, Jorge Navas, Branch Secretary and a member of the National Executive Council;
4. In the 2014-2015 financial year, I received \$104,225.34 as wages and \$9,901.41 for employer superannuation;
5. I am entitled to use the work provided vehicle for private use as a non cash payment to the estimated value of \$3,050; and
6. My daughter, Juanita Navas-Nguyen, received fees for service for clerical support and that the hours of fee for service is varied pending on workload.

A handwritten signature in black ink, appearing to read 'Jorge Navas', written in a cursive style.

**State Secretary**

**HEALTH SERVICE UNION SA NT BRANCH**

19/11/2015



## STATEMENT OF MATERIAL PERSONAL INTERESTS

### DECLARATION

I, Jorge Navas, declare that to the best of my knowledge and belief, the attached Statement of Material Interests contains a complete and accurate statement of relevant material interests and those of my associates.

### UNDERTAKING

I hereby undertake that so long as I am:

- (a) a member of the National Council, and/or;
- (b) a member of the National Executive, and/or;
- (c) a member of the National Finance Committee, and/or
- (d) a member of any Committee established by National Council or National Executive;

I will notify the National Secretary of any change or addition, coming to my knowledge, to any information declared in the attached Statement of Material Personal Interests within one month of such change or addition occurring.

Signature of person making the declaration

A handwritten signature in black ink, appearing to read "Jorge Navas". The signature is written in a cursive, flowing style.

Date on which declaration is made on

19 September 2015



## STATEMENT OF MATERIAL PERSONAL INTERESTS

Note: You are only required to declare material interests if they are of such a nature that they may be seen to give rise to a conflict with your duties as an employee, National Officer or member of National Executive National Council, National Finance Committee or any Committee established by the National Executive or National Council.

Relevant material personal interests may include:

1. Securities including shareholdings and interests in trusts (eg. shares in companies with which the Union does, or intends to, conduct business)
2. Interests in real estate or other real property where the Union is proposing to invest
3. Directorships in companies or associations (eg. a company that does business with the Union)
4. Income sources (eg. Income from a lobby group, company, professional association, or other body who may have an interest in influencing Union decision making or income from consultancy or employment with the Union), and

Declare that my daughter received fees for service for clerical support and that the hours of fee for service vary depending on workload