



Australian Government

Registered Organisations Commission

30 June 2017

Mr Jorge Navas
Branch Secretary
Health Services Union, South Australia/Northern Territory Branch
170 Greenhill Road
PARKSIDE SA 5063

By email: Jorge@hsusant.org.au
info@hsusant.org.au
michael@lakeviewmanagement.com.au

Dear Mr Navas,

Health Services Union South Australia/Northern Territory Branch Financial Report for the year ended 30 June 2016 - [FR2016/214]

I acknowledge receipt of supplementary information on 5 May 2017 and 21 June 2017 addressing the various issues that were raised in the letter I sent dated 20 January 2017.

The financial report has now been filed.

I make the following comments to assist you when you next prepare a financial report. You are not required to take any further action in respect of the report lodged. The Registered Organisations Commission (**ROC**) will confirm this concern has been addressed prior to filing next year's report.

Related Parties

Key management personnel

As previously mentioned, in Note 11B the figure disclosed under 'other long term benefits' does not reconcile to the figure reported as 'total long term benefit' in the table.

Please ensure that this is amended in future financial reports.

Reporting Requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0731 or via email at joanne.fenwick@roc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Registered Organisations Commission

Health Services Union - SA Branch
ABN 35 898 865 510

Amended Statement of Comprehensive Income for the Year Ended 30 June 2016

	Note	2016	2015
Revenue			
Capitation Fees	3A	-	-
Levies	3B	-	-
Grants/Donations	3C	-	-
Member Subscriptions		424,156	365,801
Interest Received	3D	4,195	4,348
Total Income		<u>428,351</u>	<u>370,149</u>
Expenses			
Employee Expenses	4A	223,715	227,784
Capitation Fees	4B	22,733	20,308
Affiliation Fees	4C	2,551	10,708
Administration Expenses	4D	122,573	103,819
Grants/Donations	4E	-	-
Depreciation	4F	10,325	11,746
Legal Costs	4G	-	6,201
Other Expenses	4H	-	-
Loss on Sale of Non-Current Asset	4I	-	295
		<u>381,897</u>	<u>380,861</u>
Surplus for the Year (2015 Deficit)		<u>\$ 46,454</u>	<u>(\$ 10,712)</u>

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch
ABN 35 898 865 510

Amended Statement of Financial Position at 30 June 2016

	Note	2016	2015
Accumulated Surplus		<u>\$ 241,802</u>	<u>\$ 258,742</u>
Represented by:			
Current Assets			
Cash and Equivalents	5A	397,064	393,499
Receivables	5B	-	-
Other Current Assets	5C	<u>28,570</u>	<u>12,292</u>
Total Current Assets		425,634	405,791
Non-Current Assets			
Office Furniture & Equipment - At Cost		20,678	19,316
<u>Less: Accumulated Depreciation</u>		<u>(10,874)</u>	<u>(6,720)</u>
		<u>9,804</u>	<u>12,596</u>
Motor Vehicles - At Cost		56,835	56,835
<u>Less: Accumulated Depreciation</u>		<u>(38,322)</u>	<u>(32,151)</u>
		<u>18,513</u>	<u>24,684</u>
Total Non-Current Assets		28,317	37,280
Total Assets		453,951	443,071
<u>Less: Current Liabilities</u>			
Trade Payables	7A	9,082	15,318
Other Payables	7B	58,284	45,407
Provisions	8A	<u>144,783</u>	<u>123,604</u>
		212,149	184,329
Net Assets		<u>\$ 241,802</u>	<u>\$ 258,742</u>

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch
ABN 35 898 865 510

Amended Statement of Change in Equity as at 30 June 2016

	2016	2015
Balance at 1 July 2015 - Unadjusted	258,742	269,454
Superannuation not Accrued	(8,365)	-
Administration not Accrued	(2,716)	-
Audit and Accountancy not Accrued	(14,200)	-
Prepaid Subscriptions not Recorded	(38,113)	-
Balance at 1 July 2015 - Adjusted	<u>195,348</u>	<u>269,454</u>
Surplus for the year (2015 Deficit)	46,454	(10,712)
Balance at 30 June 2016	<u>\$ 241,802</u>	<u>\$ 258,742</u>

Health Services Union - SA Branch

ABN 35 898 865 510

Amended Statement of Cash Flows for the Year Ended 30 June 2016

	2016	2015
Cash Flows from Operating Activities		
Recovery of Wages Activity	-	-
Receipts from Members	402,741	365,801
Interest Received	4,195	4,348
Receipts from Associated Entity		
- Health Services Union	-	665
Payments to Employees	(208,276)	(214,540)
Payments to Suppliers	(168,449)	(80,487)
Payments to Associated Entities		
- Health Services Union	(22,733)	(20,308)
- ALP	(298)	(2,080)
- Unions SA	(2,053)	(8,428)
- SA May Day	(200)	(200)
Net Cash from Operations	<u>4,927</u>	<u>44,771</u>
Cash Flows from Investing Activities		
Acquisition of Plant & Equipment	(1,362)	(14,212)
Disposal of Plant & Equipment	-	324
Net Cash from Investing	<u>(1,362)</u>	<u>(13,888)</u>
Increase in Cash	3,565	30,883
Cash at 1 July 2015	393,499	362,616
Cash at 30 June 2016	<u>\$ 397,064</u>	<u>\$ 393,499</u>

Reconciliation of surplus to net cash from Operating Activities

Operating Surplus	46,454	(10,712)
Non-Cash Items		
Depreciation	10,325	11,746
Employee Entitlements Provision	21,179	13,393
Changes in assets/liabilities		
Adjusted Accumulated Surplus	(63,394)	-
Increase in prepayments	(16,278)	(12,292)
Increase in Prepaid Subscriptions	16,698	-
Increase in GST	750	(3,495)
Decrease in payables	(10,807)	46,131
	<u>\$ 4,927</u>	<u>\$ 44,771</u>

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Note 1 Basis of Preparation

The financial report is a general purpose financial report 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*. The Health Services Union - SA Branch (HSUSA) is a not for profit entity.

The financial report has been prepared on an accrual basis in accordance with historical cost. Historical cost is generally based on the consideration given at the time to acquire an asset. Fair value is an estimated market value of an item and it is adopted when the fair value varies significantly from the historical cost. Any assets or liabilities measured at fair value will be noted separately. Unless otherwise indicated, no allowance is made for the effect of changing costs on the operating result or the financial position of the HSUSA. The currency is Australian dollars.

Change in Accounting Policy

The recognition of Member Subscriptions has changed by treating those that were paid prior to 30 June 2016 but which related to periods after 30 June 2016 as Unearned Income. The amount for the year was \$16,698 (2015 \$38,113).

Comparatives

The presentation of the non-cash benefits made available to key management personnel has been changed and the comparative figures have been adjusted accordingly.

Expenses Related to Previous Period

A number of entries were processed by the auditors in 2015 and a number of entries were omitted that related to the 2015 year. These have been adjusted against the Accumulated Surplus at the beginning of the year.

Accounting judgements and estimates

No accounting judgements or estimates have been identified that would risk causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

New Accounting Standards

No standard is adopted earlier than the application date stated in the standard.

The policies are consistent with those of the previous financial year except for those that came into effect this year.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments

Parts A & B are consequential or editorial amendments that have no impact on the financial report. Part C is not required to be adopted before 1 January 2017.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality is simply a cosmetic deletion of references that have no impact on the financial report.

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

AASB 2015-4 *Amendments to Australian Accounting Standards - Financial Reporting Requirements for Australian Groups with a Foreign Parent* has not been adopted as HSUSA does not have a foreign parent.

Stand Alone Entity

HSUSA is a stand alone entity with no investments in associates, joint arrangements, business combinations or amalgamations.

Revenue

Revenue is recognised at the fair value value received.

Subscriptions are accounted for on an accrual basis and recognised in the period to which they relate. The vast majority of subscriptions are paid via payroll deduction or periodic payments by direct debit or credit card charge. Invoices are generally not issued and there is no obligation on the part of the member to renew their membership. Members who are not financial cannot vote or partake in the benefits of being a member.

Interest is recognised on an accrual basis.

Employee Entitlements

Employee entitlements in respect of wages and salaries, annual leave, long service leave and termination of employment are accrued when it is probable that payment will be required and the amount can be measured reliably.

Short term entitlements that are payable within twelve months of the end of the reporting period are measured using rates that are applicable at balance date.

Long term entitlements expected to be paid after twelve months apply present values in respect of entitlements up to the reporting date because the actual payment date is unknown and the liability is recorded at balance date.

Superannuation payments to defined benefit plans are recognised when the employee has rendered services entitling them to the contribution.

Cash

Cash is recognised at face value and includes cash on hand, at call bank deposits, other short term (90 day) highly liquid investments that are readily convertible to known cash values.

Financial Liabilities

Trade and other payables are initially recognised at cash value. There are no long term financial liabilities other than Employee Entitlements, which may be paid after twelve months and are referred to above.

Contingencies

The Committee of Management is not aware of any contingencies at balance date.

Plant and Equipment

Acquisitions are recognised initially at cost in the Statement of Financial Position. Where applicable an estimate of the cost of dismantling and removing the item and restoring the site will be included.

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Depreciation

Depreciable assets are written off over their estimated useful life using the diminishing value method. Rates are reviewed at reporting date and adjusted where necessary in the relevant and future reporting periods. Current rates for plant and equipment are based on a useful life of 10 years.

Any gain or loss on disposal or scrapping of an item is determined as the difference between any sale proceeds and the carrying value of the asset and is recognised in the operating statement.

Financial Instruments

Financial Instruments are initially designated at fair value through profit and loss and are recognised when the entity becomes a party to the contractual provisions of the instrument.

Impairment - Non Current Assets

HSUSA's non-current assets are not primarily dependent on their ability to generate future cash flows and they would be replaced if useage was no longer available. Under those circumstances, the value is taken to be equal to its depreciated cost.

Taxation

HSUSA is exempt from income tax under S50.1 of the Income Tax Assessment Act 1997 however still has obligations for FBT and GST.

Revenue and expenditure are recognised net of GST unless:

the GST is not recoverable from the Australian Taxation Office; and

the GST is included in the balance of receivables and payables.

Cash flows in the cash flow statement are gross of GST. GST arising from investing and financing activities which is recoverable from or payable to the ATO is classified within the statement.

The Secretary receives non-cash benefits that are below the reportable threshold for FBT established by the ATO. These benefits are disclosed separately in this financial report in the notes for Employee Benefits, but do not use the grossed up method used by the ATO, but are calculated on an estimated value basis.

Going Concern

HSUSA is not reliant on financial support of another reporting unit to continue as a going concern and has not agree to provide financial support to another reporting unit to ensure they can continue as a going concern.

Note 2 Events After Balance Date

The Committee of Management are not aware of any events that occurred after 30 June 2016, and prior to the signing of the financial statements that would affect the ongoing structure and financial activities of HSUSA.

Note 3	Income	2016	2015
Note 3A	Capitation Fees	-	-
Note 3B	Levies	-	-
Note 3C	Grants/Donations	-	-
Note 3D	Interest		
	Bank	4,195	4,348

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Note 4	Expenses	2,016	2,015
Note 4A	Employee Expenses		
	Office holders		
	Wages and salaries	99,669	100,319
	Superannuation	10,622	9,901
	Leave and other entitlements	-	3,906
	Separation & redundancies	-	-
	Other	15,438	13,244
	Office holders employee expenses	<u>125,729</u>	<u>127,370</u>
	Non office holders		
	Wages and salaries	77,013	81,546
	Superannuation	9,469	10,760
	Leave and other entitlements	11,504	8,108
	Separation & redundancies	-	-
	Other	-	-
	Non office holders employee expenses	<u>97,986</u>	<u>100,414</u>
	Total employee expenses	<u>223,715</u>	<u>227,784</u>
Note 4B	Capitation Fees		
	HSU	<u>22,733</u>	<u>20,308</u>
Note 4C	Affiliation Fees		
	- ALP	298	2,080
	- SA Unions	2,053	8,428
	- May Day	200	200
	Total Affiliation Fees	<u>2,551</u>	<u>10,708</u>
Note 4D	Administration Expenses		
	Allowances - meeting and conferences	-	-
	Compulsory levies	-	-
	Consideration for payroll deductions	-	-
	Advertising	-	6,500
	Audit fees	4,700	15,383
	Contract data processing	6,252	1,268
	Contracting related party	9,220	11,219
	Information communications technology	13,465	10,069
	Insurance	19,792	54
	Meetings expenses	1,676	3,394
	Motor vehicle expenses	14,242	9,825
	Office expenses	5,791	3,728
	Carried forward	<u>75,138</u>	<u>61,440</u>

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Brought forward	75,138	61,440
Other	9,441	12,251
Postage, Printing & Stationery	5,791	5,517
Property expenses	18,907	17,372
Telephone	6,167	2,996
Travel	7,179	4,243
Total administration expenses	<u>122,623</u>	<u>103,819</u>
Note 4E Grants /Donations	<u>-</u>	<u>-</u>
Note 4F Depreciation		
Depreciation plant and equipment	<u>10,325</u>	<u>11,746</u>
Note 4G Legal Costs		
Other matters	<u>-</u>	<u>6,201</u>
Note 4H Other Expenses		
Penalties - RO Act or Regulations	<u>-</u>	<u>-</u>
Note 4I Loss on Sale of Asset		
Plant and equipment	<u>-</u>	<u>295</u>
Note 5 Current Assets		
Note 5A Cash and Equivalents		
Cash at bank	395,062	391,461
Cash on hand	-	36
Short term deposits	2,000	2,000
Other	2	2
Total cash and equivalents	<u>397,064</u>	<u>393,499</u>
Note 5B Receivables		
Receivables from other reporting units	-	-
Less provision for doubtful debts	<u>-</u>	<u>-</u>
Receivables from other reporting units	<u>-</u>	<u>-</u>

Health Services Union - SA Branch

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Note 5C Other Current Assets		
Prepayments		
Visa	2,173	-
Amex	1,929	-
Insurance	17,678	12,292
Capitation Fees Health Services Union	5,397	-
Admin Expenses	1,393	-
Total Other Current Assets	<u>28,570</u>	<u>12,292</u>
Note 6 Non-Current Assets		
Note 6A Plant and Equipment Reconciliation		
Book Value 1 July 2015	76,151	72,224
Accumulated Depreciation	(38,871)	(37,086)
Net book value 1 July 2015	<u>37,280</u>	<u>35,138</u>
Asset Purchases	1,363	14,212
Asset Sale	-	(324)
Depreciation	(10,326)	(11,746)
Net book value 30 June 2016	<u>28,317</u>	<u>37,280</u>
represented by		
Book Value 30 June 2016	77,513	76,151
Accumulated Depreciation	(49,196)	(38,871)
Net book value 30 June 2016	<u>28,317</u>	<u>37,280</u>
Note 7 Current Liabilities		
Note 7 A Trade Payables		
Trade Creditors and Accruals	9,082	14,539
Payables to other reporting units		
HSU	-	779
Total trade payables	<u>9,082</u>	<u>15,318</u>
Note 7 B Other payables		
Superannuation	18,654	18,545
Payroll deductions	-	-
Legal costs	-	-
GST	5,343	4,593
Credit cards	-	85
Unearned Subscriptions	16,698	-
Reimbursements	(521)	(1,292)
ABN Withholding	4,728	5,217
Wages and salaries - PAYG	13,382	18,259
Total Other Payables	<u>58,284</u>	<u>45,407</u>

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Note 8 Provisions		
Note 8A Employee Provisions		
Office Holder		
Annual leave includes loading	54,335	34,500
Long service leave	72,364	63,538
Separations and redundancies	-	-
Back pay	13,000	13,000
Office holder's provisions	139,699	111,038
Non office holder		
Annual leave includes loading	5,084	12,566
Long service leave	-	-
Separations and redundancies	-	-
Non office holder provisions	5,084	12,566
Total employee provisions	144,783	123,604
Current	72,419	60,066
Non Current	72,364	63,538
Total employee provisions	144,783	123,604
Note 9 Equity		
Note 9A Other Specific Disclosures - Funds		
Compulsory levy/voluntary	-	-
Balance at start of year	-	-
Balance at end of year	-	-
Note 10 Cash Flow		
Note 10A Cash Flow Reconciliation		
Reconciliation of Cash and Equivalents to Cash		
Flow Statement		
Cash Flow Statement:	397,064	393,499
Statement of Financial Position	397,064	393,499
Difference	-	-
Note 10B Cash Flow Information		
Cash inflows		
HSU	-	665
Total inflows	-	665
Cash outflows		
HSU	22,733	20,308
Total Outflows	22,733	20,308

Health Services Union - SA Branch
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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Note 11 Related Party Disclosures		
Note 11A Transactions for the Reporting Period		
Revenue received from related party	-	-
Expenses paid to related parties		
HSU - Capitation Fees	22,733	20,308
	22,733	20,308
Amounts owed by related parties	-	-
Amounts owed to related parties	-	-

There are no loans with related parties and no asset transfers took place during the reporting period.

Commercial basis of related party transactions

Transactions with related parties are on arm's length commercial terms. Unpaid amounts are unsecured and interest free until settled. No guarantees of payment have been provided. At 30 June 2016 HSUSA does not consider there is any impairment to receivables (2015 Nil) from related parties or declared persons or bodies.

Note 11B Key Management Personnel Remuneration for the Reporting Period

Short term benefits

Salary (including annual leave taken)	99,669	104,225
Annual leave accrued	9,766	5,859
Vehicle benefit - estimated value	3,185	3,050
Total short term benefits	112,620	113,134

Employer contribution to post employment benefits

Superannuation	10,622	9,901
Total Post Employment benefits	10,622	9,901

Other long term benefits

Long service leave entitlement	72,363	63,538
Total long term benefits	82,985	73,439

Termination benefits

Termination benefits	-	-
Total	206,227	196,474

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2,016	2,015
Note 11C Transactions with close family member of key management personnel		
Other transactions		
Juanita Navas - daughter of the secretary		
Contract clerical and administrative work at an hourly rate.	9,220	10,169
	9,220	10,169
Note 12 Remuneration of Auditors		
Services provided		
Financial statement audit services	4,700	15,383
Other services	-	-
Total remuneration	4,700	15,383

Note13 Financial Instruments

Credit Risk

Exposure to credit risk from financial assets comes from the potential non-performance by parties to contractual obligations that could lead to financial loss for the union.

Credit risk is managed through maintaining control over approval, granting, monitoring and removing credit limits using best endeavours to ensure sound credit worthiness of parties to transactions.

The maximum exposure to credit risk at the end of the reporting period is equivalent to the carrying amount as presented in the statement of financial position.

No collateral is held by the union securing amounts owed to the union.

The union has no significant concentrations of credit risk with any single or group of parties.

Liquidity Risk

Liquidity risk occurs when the union encounters difficulty in settling its debts or otherwise meeting financial obligations. The union manages this risk by only investing surplus cash with major financial institutions and minimising the level of accounts receivable.

Note 13A Categories of Financial Instruments

Financial Assets

Cash	397,064	393,499
Carrying amount of financial assets	397,064	393,499

Financial Liabilities

Payables	67,366	60,725
Total	67,366	60,725

Other financial liabilities

Employee entitlements	144,783	123,604
Total	144,783	123,604
Carrying amount of financial liabilities	212,149	184,329

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Note 13B Net income and expense from financial assets		
Carrying amount and fair value		
Interest revenue	4,195	4,348
Total	4,195	4,348

Carrying amount and fair value		
Interest expense	-	-
Total	-	-

Note 13C Credit Risk

The union's maximum exposure to credit risk at balance date is represented by the carrying amount of those assets as indicated in the statement of financial position.

The following table shows the gross exposure to credit risk of the union at balance date. There was no collateral held as security or credit enhancements relating to any financial assets at balance date.

Financial Assets

Cash	397,064	393,499
	397,064	393,499

Financial Liabilities

Payables	67,366	60,725
Other financial liabilities	144,783	123,604
Total	212,149	184,329

Credit quality of financial instruments current and unimpaired

Cash current and unimpaired	397,064	393,499
Financial instruments overdue or impaired	-	-
	397,064	393,499

Note 13E Liquidity Risk

The union operates under a policy of settling financial obligations within 30 days or in the case of a dispute within 30 days of resolution. The union's exposure to liquidity risk is deemed insignificant based on historical data and current assessment. Maximum exposure is the carrying amount of financial liabilities.

All financial liabilities have a maturity timeline of less than 1 year.

Total	212,149	184,239
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Note 13F Market Risk

The entity is exposed to interest rate risk, however with no borrowings and interest rates at historic lows and no sign of any significant change in the foreseeable future, any change in interest rates is unlikely to impact significantly on operations.

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Note 14 Fair Value Measurement

Management has assessed that cash and equivalents, payables and other current liabilities equate to their carrying value because of the short term nature of these arrangements.

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections 91) to (3) of section 272, which says:

(i) A member or General Manager 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.

(ii) The application must be in writing and must specify the period and manner in which the information is to be made available. The period must not be less than fourteen (14) days after the application is given to the reporting unit.

(iii) A reporting unit must comply with an application made under this section.

Note 16 Disclosures Required Under Rules 85-88

Remuneration and Non-Cash Benefits for Officers during the year ended 30 June

No remuneration was paid to an officer because of membership of, or a position on a board or committee or holding an office of the Union nor was any nominated, proposed, recommended or suggested for membership of, or position on the Board by the Union, Branch or a peak council or any related party of the Union, in connection with the performance of that person's duties as an officer.

Remuneration of Highest Paid Officer

Office	Officer	Type	Cash or Benefit	Amount
Branch Secretary	Jorge Navas	Wages	Cash	99,669
Member National Executive		Superannuation	Cash	9,766
National Councillor		Private Use of Motor Vehicle	Benefit	3,185

Material Personal Interests during the year ended 30 June 2016

Office	Officer	Details of Material Personal Interest
Branch Secretary	Jorge Navas	Mr Navas' daughter provides clerical support on an occasional and casual basis for the SA Branch when workload demands and is paid for her services on an hourly rate.
Member National Executive		
National Councillor		

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Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Disclosure of Payments during the year ended 30 june 2016

No payments were made to a related party of the Union or branch of the Union or a declared person or party of the Union that has not been disclosed in the Financial Report.

MICHAEL D. MACKENROTH

CHARTERED ACCOUNTANT

15 Lakeview Avenue
West Lakes SA 5021
Telephone: (08) 8240 5318
Facsimile: (08) 8240 4867
statenisland@adam.com.au

Independent Auditor's Report

P.O. Box 7254
WEST LAKES SA 5021

Scope

This report has been prepared for the members of the Health Services Union - SA and NT Branch (HSUSA) and covers the general purpose financial report for the year ended 30 June 2016 and includes the Amended Statement of Comprehensive Income, the Amended Statement of Financial Position, the Amended Statement of Change in Equity, the Amended Statement of Cash Flows, the Amended Notes to and Forming Part of the Financial Report and the Amended Committee of Management Statement in order to meet its obligation to lodge it with the Australian Fair Work Commission (the Commission) in accordance with the requirements of the *Fair Work (Registered Organisations) Act* (the RO Act). This report contains the information and matters required by the RO Act. I disclaim any assumption of responsibility for any reliance on this report to any person other than:

- the members,
- the Commission, or
- a person who has received my written consent to use the report.

In any event these parties may only rely on this report for the purpose for which it was prepared.

Internal Procedures

To the extent of its obligations under the RO Act, the Committee of Management of the HSUSA (the Committee) is responsible for establishing and maintaining effective internal controls in relation to compliance with the requirements of the RO Act. Because of the inherent limitations of any internal control structure it is possible that errors or irregularities may occur and not be detected. I have not audited the overall internal control structure and no opinion is expressed as to its effectiveness. An audit is not designed to detect all weaknesses in control procedures or all instances of noncompliance with the RO Act or the financial conditions of the HSUSA as it is not performed continuously throughout the period and the tests performed are on a sample basis having regard to the nature and size of the HSUSA.

My procedures have been conducted in accordance with Australian Auditing Standards, and accordingly included such tests and procedures that I considered necessary in the circumstances, based on my assessment of the risk of material misstatement of the financial report, whether due to fraud or error. Any projection of the evaluation of internal control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Committee's Responsibility

The Committee is responsible for the preparation and fair presentation of the general purpose financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I believe I have obtained sufficient and appropriate audit evidence to allow me to form an audit opinion.

Going Concern

The financial report has been prepared on a going concern basis. The HSUSA is not reliant on financial support from any associated entity, has not pledged financial support to any associated

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entity and has no external borrowings. I see no reason to suggest that the going concern approach is not appropriate in these circumstances.

Independence Declaration

To the best of my knowledge and belief, there have been:

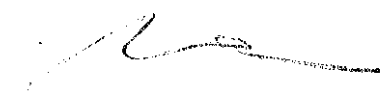
- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit of the HSUSA for the period.

I have not audited and pass no opinion on any transactions or matters that occurred prior to 1 July 2015.

Opinion

In my opinion, the amended financial report of the HSUSA is prepared in accordance with the RO Act, including:

- a) Giving a true and fair view of the HSUSA's financial position as at 30 June 2016 and its financial performance for the year ended on that date; and
- b) Complying with the Australian Accounting Standards and Interpretations and the requirements of the RO Act.



Michael Mackenroth
Registered Auditor 5371

22/06/2017

From: FENWICK,Joanne
Sent: Wednesday, 10 May 2017 11:14 AM
To: 'michael@lakeviewmanagement.com.au'
Subject: RE: Health Services Union [SEC=UNCLASSIFIED]

UNCLASSIFIED

Hi Michael

I have reviewed the amended document and I'm happy for them to be presented to the relevant meeting and re-lodged with the Registered Organisations Commission. I would however recommend that you amend Note 10B to include the figure of \$665 in the 2015 financial year for cash inflows from the HSU and within Note 11B the long service leave entitlement figure as the figure reported under both years does not reconcile to the Total long term benefits figure.

Regards

JOANNE FENWICK
Financial Reporting Specialist
Registered Organisations Commission

Tel: (03) 9603 0731
Joanne.Fenwick@roc.gov.au

414 Latrobe Street, Melbourne Victoria 3000
GPO Box 2983, MELBOURNE VIC 3001

www.roc.gov.au

Please consider the environment before printing this message

HEALTH SERVICES UNION SA BRANCH
ABN 35 898 865 510

AMENDED OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2016

The operating report has been prepared by the designated officer, Jorge Navas.

The principle activity of the organisation during the year was that of a registered trade union. No significant change occurred in the nature of those activities during the year.

The following significant changes in financial affairs occurred. The Union adopted the accrual basis to record members' subscriptions, whereby subscriptions that are paid in advance are not recognised in the period in which they are received, but are deferred to the period to which they relate.

Membership Subscriptions grew by 16% partly due to an increase in the number of members and partly due to the change in accounting policy to the accrual basis.

Capitation Fees paid were up by 12% because of increased numbers and higher fees per member. There were no Legal Fees this year compared to \$6,021 in 2015.

Other Expenses remained constant with the previous year with no significant change.

The Opening Equity balance was adjusted for the following items that related to the 2015 year but were not recorded at the time. Superannuation \$8,365, Admin \$2,716 and Audit and Accountancy Fees \$14,200 were not accrued and should have been. Unearned Subscriptions due to the change in Accounting Policy of \$38,113, which related to 2015 year were not recorded.

The Union posted a surplus of \$46,454 compared to a deficit of \$10,712 in 2015. The turnaround was largely to the changes listed above.

Resignation Rules

- (1) A member may resign from the Branch by written notice addressed and delivered to the Branch Secretary or a Branch of the Union;
- (2) Such notice takes effect
 - (a) Where the member becomes ineligible to be 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 ineligibility, whichever is 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 accordance with subsection (1).
- (6) A resignation is valid even if it is not affected in accordance with these provisions if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted by the Union.

The number of members at the end of the financial year was 1,138 and there were 2 full time equivalent employees at that time.

Committee of Management

The following persons were members of the Committee of Management during the year. All positions were held for the full twelve months, unless otherwise stated:

Anthony Newman; Bruno Sonza; John Hristopoulous; Karryn Sampson; Lesley Dummin; Thomas Di Santo; Mark Panes; Riccardo Ianella; Jorge Navas; Tony Hewitt (1 July 2015 - 22 February 2016); John Drysdale (1 July 2015 - 22 February 2016); Sandra Alston (1 July 2015 - 22 February 2016); Chi-Wing Sung (22 February 2016 - 30 June 2016); Lida Sam (22 February, 2016 - 30 June, 2016) and Catherine Painter (22 February - 30 June, 2016).

Superannuation Trustees

No officer, employee, official of the reporting unit held has been a trustee or director of a corporate trustee of any superannuation entity where such position is dependent upon them being a member of the Union.

Branch Secretary

Health Services Union SA NT Branch

Date:

Health Services Union - SA Branch

ABN 35 898 865 510

Amended Statement of Comprehensive Income for the Year Ended 30 June 2016

	Note	2016	2015
Revenue			
Capitation Fees	3A	-	-
Levies	3B	-	-
Grants/Donations	3C	-	-
Member Subscriptions		424,156	365,801
Interest Received	3D	4,195	4,348
Total Income		<u>428,351</u>	<u>370,149</u>
Expenses			
Employee Expenses	4A	223,715	227,784
Capitation Fees	4B	22,733	20,308
Affiliation Fees	4C	2,551	10,708
Administration Expenses	4D	122,573	103,819
Grants/Donations	4E	-	-
Depreciation	4F	10,325	11,746
Legal Costs	4G	-	6,201
Other Expenses	4H	-	-
Loss on Sale of Non-Current Asset	4I	-	295
		<u>381,897</u>	<u>380,861</u>
Surplus for the Year (2015 Deficit)		<u>\$ 46,454</u>	<u>(\$ 10,712)</u>

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch
ABN 35 898 865 510

Amended Statement of Financial Position at 30 June 2016

	Note	2016	2015
Accumulated Surplus		<u>\$ 241,802</u>	<u>\$ 258,742</u>
Represented by:			
Current Assets			
Cash and Equivalents	5A	397,064	393,499
Receivables	5B	-	-
Other Current Assets	5C	<u>28,570</u>	<u>12,292</u>
Total Current Assets		425,634	405,791
Non-Current Assets			
Office Furniture & Equipment - At Cost		20,678	19,316
<u>Less: Accumulated Depreciation</u>		<u>(10,874)</u>	<u>(6,720)</u>
		<u>9,804</u>	<u>12,596</u>
Motor Vehicles - At Cost		56,835	56,835
<u>Less: Accumulated Depreciation</u>		<u>(38,322)</u>	<u>(32,151)</u>
		<u>18,513</u>	<u>24,684</u>
Total Non-Current Assets		<u>28,317</u>	<u>37,280</u>
Total Assets		453,951	443,071
Less: Current Liabilities			
Trade Payables	7A	9,082	15,318
Other Payables	7B	58,284	45,407
Provisions	8A	<u>144,783</u>	<u>123,604</u>
		212,149	184,329
Net Assets		<u>\$ 241,802</u>	<u>\$ 258,742</u>

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch
ABN 35 898 865 510

Amended Statement of Change in Equity as at 30 June 2016

	2016	2015
Balance at 1 July 2015 - Unadjusted	258,742	269,454
Superannuation not Accrued	(8,365)	-
Administration not Accrued	(2,716)	-
Audit and Accountancy not Accrued	(14,200)	-
Prepaid Subscriptions not Recorded	(38,113)	-
Balance at 1 July 2015 - Adjusted	<u>195,348</u>	<u>269,454</u>
Surplus for the year (2015 Deficit)	46,454	(10,712)
Balance at 30 June 2016	<u>\$ 241,802</u>	<u>\$ 258,742</u>

Health Services Union - SA Branch

ABN 35 898 865 510

Amended Statement of Cash Flows for the Year Ended 30 June 2016

	2016	2015
Cash Flows from Operating Activities		
Recovery of Wages Activity	-	-
Receipts from Members	402,741	365,801
Interest Received	4,195	4,348
Receipts from Associated Entity		
- Health Services Union	-	665
Payments to Employees	(208,276)	(214,540)
Payments to Suppliers	(168,449)	(80,487)
Payments to Associated Entities		
- Health Services Union	(22,733)	(20,308)
- ALP	(298)	(2,080)
- Unions SA	(2,053)	(8,428)
- SA May Day	(200)	(200)
Net Cash from Operations	<u>4,927</u>	<u>44,771</u>
Cash Flows from Investing Activities		
Acquisition of Plant & Equipment	(1,362)	(14,212)
Disposal of Plant & Equipment	-	324
Net Cash from Investing	<u>(1,362)</u>	<u>(13,888)</u>
Increase in Cash	3,565	30,883
Cash at 1 July 2015	393,499	362,616
Cash at 30 June 2016	<u>\$ 397,064</u>	<u>\$ 393,499</u>

Reconciliation of surplus to net cash from Operating Activities

Operating Surplus	46,454	(10,712)
Non-Cash Items		
Depreciation	10,325	11,746
Employee Entitlements Provision	21,179	13,393
Changes in assets/liabilities		
Adjusted Accumulated Surplus	(63,394)	-
Increase in prepayments	(16,278)	(12,292)
Increase in Prepaid Subscriptions	16,698	-
Increase in GST	750	(3,495)
Decrease in payables	(10,807)	46,131
	<u>\$ 4,927</u>	<u>\$ 44,771</u>

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch

ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Note 1 Basis of Preparation

The financial report is a general purpose financial report 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*. The Health Services Union - SA Branch (HSUSA) is a not for profit entity.

The financial report has been prepared on an accrual basis in accordance with historical cost. Historical cost is generally based on the consideration given at the time to acquire an asset. Fair value is an estimated market value of an item and it is adopted when the fair value varies significantly from the historical cost. Any assets or liabilities measured at fair value will be noted separately. Unless otherwise indicated, no allowance is made for the effect of changing costs on the operating result or the financial position of the HSUSA. The currency is Australian dollars.

Change in Accounting Policy

The recognition of Member Subscriptions has changed by treating those that were paid prior to 30 June 2016 but which related to periods after 30 June 2016 as Unearned Income. The amount for the year was \$16,698 (2015 \$38,113).

Comparatives

The presentation of the non-cash benefits made available to key management personnel has been changed and the comparative figures have been adjusted accordingly.

Expenses Related to Previous Period

A number of entries were processed by the auditors in 2015 and a number of entries were omitted that related to the 2015 year. These have been adjusted against the Accumulated Surplus at the beginning of the year.

Accounting judgements and estimates

No accounting judgements or estimates have been identified that would risk causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

New Accounting Standards

No standard is adopted earlier than the application date stated in the standard.

The policies are consistent with those of the previous financial year except for those that came into effect this year.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments

Parts A & B are consequential or editorial amendments that have no impact on the financial report. Part C is not required to be adopted before 1 January 2017.

AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality is simply a cosmetic deletion of references that have no impact on the financial report.

Health Services Union - SA Branch

ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

AASB 2015-4 *Amendments to Australian Accounting Standards - Financial Reporting Requirements for Australian Groups with a Foreign Parent* has not been adopted as HSUSA does not have a foreign parent.

Stand Alone Entity

HSUSA is a stand alone entity with no investments in associates, joint arrangements, business combinations or amalgamations.

Revenue

Revenue is recognised at the fair value value received.

Subscriptions are accounted for on an accrual basis and recognised in the period to which they relate. The vast majority of subscriptions are paid via payroll deduction or periodic payments by direct debit or credit card charge. Invoices are generally not issued and there is no obligation on the part of the member to renew their membership. Members who are not financial cannot vote or partake in the benefits of being a member.

Interest is recognised on an accrual basis.

Employee Entitlements

Employee entitlements in respect of wages and salaries, annual leave, long service leave and termination of employment are accrued when it is probable that payment will be required and the amount can be measured reliably.

Short term entitlements that are payable within twelve months of the end of the reporting period are measured using rates that are applicable at balance date.

Long term entitlements expected to be paid after twelve months apply present values in respect of entitlements up to the reporting date because the actual payment date is unknown and the liability is recorded at balance date.

Superannuation payments to defined benefit plans are recognised when the employee has rendered services entitling them to the contribution.

Cash

Cash is recognised at face value and includes cash on hand, at call bank deposits, other short term (90 day) highly liquid investments that are readily convertible to known cash values.

Financial Liabilities

Trade and other payables are initially recognised at cash value. There are no long term financial liabilities other than Employee Entitlements, which may be paid after twelve months and are referred to above.

Contingencies

The Committee of Management is not aware of any contingencies at balance date.

Plant and Equipment

Acquisitions are recognised initially at cost in the Statement of Financial Position. Where applicable an estimate of the cost of dismantling and removing the item and restoring the site will be included.

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Depreciation

Depreciable assets are written off over their estimated useful life using the diminishing value method. Rates are reviewed at reporting date and adjusted where necessary in the relevant and future reporting periods. Current rates for plant and equipment are based on a useful life of 10 years.

Any gain or loss on disposal or scrapping of an item is determined as the difference between any sale proceeds and the carrying value of the asset and is recognised in the operating statement.

Financial Instruments

Financial Instruments are initially designated at fair value through profit and loss and are recognised when the entity becomes a party to the contractual provisions of the instrument.

Impairment - Non Current Assets

HSUSA's non-current assets are not primarily dependent on their ability to generate future cash flows and they would be replaced if useage was no longer available. Under those circumstances, the value is taken to be equal to its depreciated cost.

Taxation

HSUSA is exempt from income tax under S50.1 of the Income Tax Assessment Act 1997 however still has obligations for FBT and GST.

Revenue and expenditure are recognised net of GST unless:

the GST is not recoverable from the Australian Taxation Office; and

the GST is included in the balance of receivables and payables.

Cash flows in the cash flow statement are gross of GST. GST arising from investing and financing activities which is recoverable from or payable to the ATO is classified within the statement.

The Secretary receives non-cash benefits that are below the reportable threshold for FBT established by the ATO. These benefits are disclosed separately in this financial report in the notes for Employee Benefits, but do not use the grossed up method used by the ATO, but are calculated on an estimated value basis.

Going Concern

HSUSA is not reliant on financial support of another reporting unit to continue as a going concern and has not agree to provide financial support to another reporting unit to ensure they can continue as a going concern.

Note 2 Events After Balance Date

The Committee of Management are not aware of any events that occurred after 30 June 2016, and prior to the signing of the financial statements that would affect the ongoing structure and financial activities of HSUSA.

Note 3	Income	2016	2015
Note 3A	Capitation Fees	-	-
Note 3B	Levies	-	-
Note 3C	Grants/Donations	-	-
Note 3D	Interest		
	Bank	4,195	4,348

Health Services Union - SA Branch

ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Note 4	Expenses	2,016	2,015
Note 4A	Employee Expenses		
	Office holders		
	Wages and salaries	99,669	100,319
	Superannuation	10,622	9,901
	Leave and other entitlements	-	3,906
	Separation & redundancies	-	-
	Other	15,438	13,244
	Office holders employee expenses	<u>125,729</u>	<u>127,370</u>
	Non office holders		
	Wages and salaries	77,013	81,546
	Superannuation	9,469	10,760
	Leave and other entitlements	11,504	8,108
	Separation & redundancies	-	-
	Other	-	-
	Non office holders employee expenses	<u>97,986</u>	<u>100,414</u>
	Total employee expenses	<u>223,715</u>	<u>227,784</u>
Note 4B	Capitation Fees		
	HSU	22,733	20,308
Note 4C	Affiliation Fees		
	- ALP	298	2,080
	- SA Unions	2,053	8,428
	- May Day	200	200
	Total Affiliation Fees	<u>2,551</u>	<u>10,708</u>
Note 4D	Administration Expenses		
	Allowances - meeting and conferences	-	-
	Compulsory levies	-	-
	Consideration for payroll deductions	-	-
	Advertising	-	6,500
	Audit fees	4,700	15,383
	Contract data processing	6,252	1,268
	Contracting related party	9,220	11,219
	Information communications technology	13,465	10,069
	Insurance	19,792	54
	Meetings expenses	1,676	3,394
	Motor vehicle expenses	14,242	9,825
	Office expenses	5,791	3,728
	Carried forward	<u>75,138</u>	<u>61,440</u>

Health Services Union - SA Branch

ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Brought forward	75,138	61,440
Other	9,441	12,251
Postage, Printing & Stationery	5,791	5,517
Property expenses	18,907	17,372
Telephone	6,167	2,996
Travel	7,179	4,243
Total administration expenses	<u>122,623</u>	<u>103,819</u>
Note 4E Grants /Donations	<u>-</u>	<u>-</u>
Note 4F Depreciation		
Depreciation plant and equipment	<u>10,325</u>	<u>11,746</u>
Note 4G Legal Costs		
Other matters	<u>-</u>	<u>6,201</u>
Note 4H Other Expenses		
Penalties - RO Act or Regulations	<u>-</u>	<u>-</u>
Note 4I Loss on Sale of Asset		
Plant and equipment	<u>-</u>	<u>295</u>
Note 5 Current Assets		
Note 5A Cash and Equivalents		
Cash at bank	395,062	391,461
Cash on hand	-	36
Short term deposits	2,000	2,000
Other	2	2
Total cash and equivalents	<u>397,064</u>	<u>393,499</u>
Note 5B Receivables		
Receivables from other reporting units	-	-
Less provision for doubtful debts	<u>-</u>	<u>-</u>
Receivables from other reporting units	<u>-</u>	<u>-</u>

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Note 5C Other Current Assets		
Prepayments		
Visa	2,173	-
Amex	1,929	-
Insurance	17,678	12,292
Capitation Fees Health Services Union	5,397	-
Admin Expenses	1,393	-
Total Other Current Assets	<u>28,570</u>	<u>12,292</u>
Note 6 Non-Current Assets		
Note 6A Plant and Equipment Reconciliation		
Book Value 1 July 2015	76,151	72,224
Accumulated Depreciation	(38,871)	(37,086)
Net book value 1 July 2015	<u>37,280</u>	<u>35,138</u>
Asset Purchases	1,363	14,212
Asset Sale	-	(324)
Depreciation	(10,326)	(11,746)
Net book value 30 June 2016	<u>28,317</u>	<u>37,280</u>
represented by		
Book Value 30 June 2016	77,513	76,151
Accumulated Depreciation	(49,196)	(38,871)
Net book value 30 June 2016	<u>28,317</u>	<u>37,280</u>
Note 7 Current Liabilities		
Note 7 A Trade Payables		
Trade Creditors and Accruals	9,082	14,539
Payables to other reporting units		
HSU	-	779
Total trade payables	<u>9,082</u>	<u>15,318</u>
Note 7 B Other payables		
Superannuation	18,654	18,545
Payroll deductions	-	-
Legal costs	-	-
GST	5,343	4,593
Credit cards	-	85
Unearned Subscriptions	16,698	-
Reimbursements	(521)	(1,292)
ABN Withholding	4,728	5,217
Wages and salaries - PAYG	13,382	18,259
Total Other Payables	<u>58,284</u>	<u>45,407</u>

Health Services Union - SA Branch

ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Note 8 Provisions		
Note 8A Employee Provisions		
Office Holder		
Annual leave includes loading	54,335	34,500
Long service leave	72,364	63,538
Separations and redundancies	-	-
Back pay	13,000	13,000
Office holder's provisions	<u>139,699</u>	<u>111,038</u>
Non office holder		
Annual leave includes loading	5,084	12,566
Long service leave	-	-
Separations and redundancies	-	-
Non office holder provisions	<u>5,084</u>	<u>12,566</u>
Total employee provisions	<u>144,783</u>	<u>123,604</u>
Current	72,419	60,066
Non Current	72,364	63,538
Total employee provisions	<u>144,783</u>	<u>123,604</u>
 Note 9 Equity		
Note 9A Other Specific Disclosures - Funds		
Compulsory levy/voluntary	-	-
Balance at start of year	-	-
Balance at end of year	<u>-</u>	<u>-</u>
 Note 10 Cash Flow		
Note 10A Cash Flow Reconciliation		
Reconciliation of Cash and Equivalents to Cash Flow Statement		
Cash Flow Statement	397,064	393,499
Statement of Financial Position	397,064	393,499
Difference	<u>-</u>	<u>-</u>
 Note 10B Cash Flow Information		
Cash inflows		
HSU	-	-
Total inflows	<u>-</u>	<u>-</u>
Cash outflows		
HSU	22,733	20,308
Total Outflows	<u>22,733</u>	<u>20,308</u>

Health Services Union - SA Branch

ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Note 11 Related Party Disclosures		
Note 11A Transactions for the Reporting Period		
Revenue received from related party	-	-
Expenses paid to related parties		
HSU - Capitation Fees	22,733	20,308
	<u>22,733</u>	<u>20,308</u>
Amounts owed by related parties	-	-
Amounts owed to related parties	-	-

There are no loans with related parties and no asset transfers took place during the reporting period.

Commercial basis of related party transactions

Transactions with related parties are on arm's length commercial terms. Unpaid amounts are unsecured and interest free until settled. No guarantees of payment have been provided. At 30 June 2016 HSUSA does not consider there is any impairment to receivables (2015 Nil) from related parties or declared persons or bodies.

Note 11B Key Management Personnel Remuneration for the Reporting Period

Short term benefits

Salary (including annual leave taken)	99,669	104,225
Annual leave accrued	9,766	5,859
Vehicle benefit - estimated value	3,185	3,050
Total short term benefits	<u>112,620</u>	<u>113,134</u>

Employer contribution to post employment benefits

Superannuation	10,622	9,901
Total Post Employment benefits	<u>10,622</u>	<u>9,901</u>

Other long term benefits

Long service leave entitlement	72,363	63,538
Total long term benefits	<u>93,607</u>	<u>83,340</u>

Termination benefits

	-	-
Total	<u>216,849</u>	<u>206,375</u>

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2,016	2,015
Note 11C Transactions with close family member of key management personnel		
Other transactions		
Juanita Navas - daughter of the secretary Contract clerical and administrative work at an hourly rate.	9,220	10,169
	9,220	10,169
Note 12 Remuneration of Auditors		
Services provided		
Financial statement audit services	4,700	15,383
Other services	-	-
Total remuneration	4,700	15,383
Note 13 Financial Instruments		
Credit Risk		
Exposure to credit risk from financial assets comes from the potential non-performance by parties to contractual obligations that could lead to financial loss for the union.		
Credit risk is managed through maintaining control over approval, granting, monitoring and removing credit limits using best endeavours to ensure sound credit worthiness of parties to transactions.		
The maximum exposure to credit risk at the end of the reporting period is equivalent to the carrying amount as presented in the statement of financial position.		
No collateral is held by the union securing amounts owed to the union.		
The union has no significant concentrations of credit risk with any single or group of parties.		
Liquidity Risk		
Liquidity risk occurs when the union encounters difficulty in settling its debts or otherwise meeting financial obligations. The union manages this risk by only investing surplus cash with major financial institutions and minimising the level of accounts receivable.		
Note 13A Categories of Financial Instruments		
Financial Assets		
Cash	397,064	393,499
Carrying amount of financial assets	397,064	393,499
Financial Liabilities		
Payables	67,366	60,725
Total	67,366	60,725
Other financial liabilities		
Employee entitlements	144,783	123,604
Total	144,783	123,604
Carrying amount of financial liabilities	212,149	184,329

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

	2016	2015
Note 13B Net income and expense from financial assets		
Carrying amount and fair value		
Interest revenue	4,195	4,348
Total	4,195	4,348

Carrying amount and fair value		
Interest expense	-	-
Total	-	-

Note 13C Credit Risk

The union's maximum exposure to credit risk at balance date is represented by the carrying amount of those assets as indicated in the statement of financial position.

The following table shows the gross exposure to credit risk of the union at balance date. There was no collateral held as security or credit enhancements relating to any financial assets at balance date.

Financial Assets

Cash	397,064	393,499
	397,064	393,499

Financial Liabilities

Payables	67,366	60,725
Other financial liabilities	144,783	123,604
Total	212,149	184,329

Credit quality of financial instruments current and unimpaired

Cash current and unimpaired	397,064	393,499
Financial instruments overdue or impaired	-	-
	397,064	393,499

Note 13E Liquidity Risk

The union operates under a policy of settling financial obligations within 30 days or in the case of a dispute within 30 days of resolution. The union's exposure to liquidity risk is deemed insignificant based on historical data and current assessment. Maximum exposure is the carrying amount of financial liabilities.

All financial liabilities have a maturity timeline of less than 1 year.

Total	212,149	184,239
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Note 13F Market Risk

The entity is exposed to interest rate risk, however with no borrowings and interest rates at historic lows and no sign of any significant change in the foreseeable future, any change in interest rates is unlikely to impact significantly on operations.

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Note 14 Fair Value Measurement

Management has assessed that cash and equivalents, payables and other current liabilities equate to their carrying value because of the short term nature of these arrangements.

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections 91) to (3) of section 272, which says:

(i) A member or General Manager 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.

(ii) The application must be in writing and must specify the period and manner in which the information is to be made available. The period must not be less than fourteen (14) days after the application is given to the reporting unit.

(iii) A reporting unit must comply with an application made under this section.

Note 16 Disclosures Required Under Rules 85-88

Remuneration and Non-Cash Benefits for Officers during the year ended 30 June

No remuneration was paid to an officer because of membership of, or a position on a board or committee or holding an office of the Union nor was any nominated, proposed, recommended or suggested for membership of, or position on the Board by the Union, Branch or a peak council or any related party of the Union, in connection with the performance of that person's duties as an officer.

Remuneration of Highest Paid Officer

Office	Officer	Type	Cash or Benefit	Amount
Branch Secretary	Jorge Navas	Wages	Cash	99,669
Member National Executive		Superannuation	Cash	9,766
National Councillor		Private Use of Motor Vehicle	Benefit	3,185

Material Personal Interests during the year ended 30 June 2016

Office	Officer	Details of Material Personal Interest
Branch Secretary	Jorge Navas	Mr Navas' daughter provides clerical support on an occasional and casual basis for the SA Branch when workload demands and is paid for her services on an hourly rate.
Member National Executive		
National Councillor		

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Amended Financial Report for the Year Ended 30 June 2016

Disclosure of Payments during the year ended 30 june 2016

No payments were made to a related party of the Union or branch of the Union or a declared person or party of the Union that has not been disclosed in the Financial Report.



20 January 2017

Mr Jorge Navas
Branch Secretary
Health Services Union – South Australia/Northern Territory Branch
170 Greenhill Road
PARKSIDE SA 5063

via email: jorge@hsusant.org.au

Dear Mr Navas

Health Services Union South Australia/Northern Territory Branch Financial Report for the year ended 30 June 2016 - [FR2016/214]

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the Health Services Union South Australia/Northern Territory Branch (**the reporting unit**). The documents were lodged with the Fair Work Commission (**FWC**) on 13 December 2016.

The financial report has not been filed. I have examined the report and identified a number of matters, the details of which are set out below, that you are required to address before the report can be filed.

The General Purpose Financial Report (**GPFR**) and the Operating Report will require amendments. The amended reports will need to be provided to members, presented to a Committee of Management meeting, republished on the reporting unit's website and lodged with the FWC.

The matters identified should be read in conjunction with the *Fair Work (Registered Organisations) Act 2009* (**the RO Act**), *Fair Work (Registered Organisations) Regulations 2009* (**the RO Regs**), the 4th edition of the Reporting Guidelines (**RG**) made under section 255 of the RO Act and Australian Accounting Standards.

To assist with the preparation of financial reports reporting units should consult the template 'Model Financial Statements' which is available from the FWC website.

Operating Report

Review of principal activities

Subsection 254(2)(a) of the RO Act requires an Operating Report to contain a review of the principal activities of the reporting unit, the results of those activities and any significant changes in the nature of the those activities. I note that the Operating Report provides a review of the principal activities, but does not explain the results of these activities. Please note that subsection 254(2)(a) of the RO Act does not require a financial result nor significant financial changes. It requires a description of the results from providing services to members and a description of any changes to the nature of those activities.

These requirements are in addition to subsection 254(2)(b) of the RO Act which requires an Operating Report to give details of any significant changes in the reporting unit's financial affairs during the year.

Significant changes in financial affairs

Section 254(2)(b) of the RO Act requires an Operating Report to give details of any significant changes in the reporting unit's financial affairs during the year. The reporting unit's Operating Report states that '*the results of the reporting unit were impacted by several items that related to*

previous years that had not been recorded at the time' however it does not identify what those several items are. The reporting unit is required to amend the Operating Report to provide further information in relation to those items that have led to the significant changes in the Branches financial affairs during the year.

Notes to the financial statements

Identification of the Financial Statements

Paragraph 51 of Australian Accounting Standard *AASB101 Presentation of Financial Statements* states that:

'An entity shall clearly identify each financial statement and the notes. In addition, an entity shall display the following information prominently, and report it when necessary for the information presented to be understandable:

- (c) The date of the end of the reporting period or the period covered by the set of financial statements and notes;'

This has not been appropriate presented within the GPFR.

General purpose financial report to be prepared on accrual basis

Section 252 of the RO Act places obligations upon reporting units to keep financial records. Under section 252(4) an organisation may keep the financial records for its membership subscriptions on a cash basis.

This is distinct from the obligation under section 253 to *prepare* a General Purpose Financial Report (GPFR). Section 253 requires that:

...a reporting unit must cause a General Purpose Financial Report to be prepared, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...

Paragraph 27 of Australian Accounting Standard *AASB101 Presentation of Financial Statements*, states that:

'an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting'.

The notes to the financial statements state that *'Revenue is recognised at the cash value received. Subscriptions are accounted for on a cash basis and recognised when they are received'*.

Membership subscriptions will need to be brought to account on an accruals basis in accordance with the Australian Accounting Standards and the relevant statements and items will need to be amended accordingly. This will also require the re-auditing of these statements by your auditor and the reissuing of the GPFR to members and the FWC.

It is further noted that this will result in a change of accounting policy that will need to be disclosed in accordance with *AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors)*. You may need to discuss this with your auditor.

Related Parties

Key management personnel

Note 11B discloses the remuneration paid to key management personnel. I note however the information within the table does not reconcile.

Please amend accordingly.

Financial Risk Management

Note 13A discloses the financial liabilities that are designated fair value through the profit and loss, however the figure for 2016 does not reconcile to the information provided in Note 13E *Liquidity Risk*.

Please amend accordingly.

Leases

Leases

In the reporting unit GPFR, Note 4D *Administration Expenses* states that an amount of \$18,907 was paid in the 2016 financial year for property expenses which is assumed to be for rent. The GPFR does not however include any information in relation to this operating lease and does not provide for the required disclosures under *AASB117 Leases* paragraph 35.

Please amend the GPFR accordingly.

Statement of Comprehensive Income

Materiality

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 97 requires material items to be presented separately. Note 4D *Administration Expenses* in the financial statements reports \$86,450 as 'other' expenses, which is a material amount. This item is required to be further divided to ensure that any material items within other expenses are separately disclosed.

Disclosure of affiliation fees

In order to satisfy item 16(c) of the Reporting Guidelines separate disclosure of affiliation fees paid to political parties and industrial bodies need to be made. This includes disclosing the amount paid to each entity and the name of each entity to which monies were paid. Although affiliation fees are disclosed in Note 4C, one of the affiliation fees is titled 'other' and does not provide the name of the relevant entity.

Reference to Notes

Within the Statement of Comprehensive Income the Note referenced against Depreciation, Legal Costs, Other Expenses and Loss on Sale of Non-Current Asset are incorrect.

Please amend accordingly.

Statement of Financial Position

Disclosure of employee provisions to office holders and other employees

The employee provisions note to the financial statements has disclosed annual leave, long service leave and separation and redundancies separately for office holders and employees, but does not separately disclose other employee provisions provided for employees.

The Reporting Guidelines require that all employee and office holder provisions be detailed separately (refer to items 20(c) and 20(d)).

Please note that Reporting Guideline 21 states that if the activities identified in item 20 have not occurred in the reporting period, a statement of this effect must be included in the GPFR.

Property, plant and equipment reconciliation

Australian Accounting Standard *AASB 116 Property, Plant and Equipment* paragraph 73(e) requires a reconciliation of the carry amount at the beginning and end of the period for each class of property, plant and equipment.

While Note 6A provides this reconciliation, I note that the figure provided for 'assets purchases' for 2015 does not reconcile to the figure provided in the Cash Flow Statement for 'acquisition of plant & equipment'.

Cash Flow Statement

Reconciliation of cash flows from operating activities

Australian Accounting Standard *AASB 107 Statement of Cash Flows* paragraph 45 requires that:

An entity shall disclose the components of cash and cash equivalents and shall present a reconciliation of the amounts in its Statement of Cash Flows with the equivalent items reported in the Statement of Financial Position.

Within this reconciliation provided below the Statement of Cash Flow, I note that the figure reported as Depreciation for the 2015 financial year does not reconcile to the figure provided for Depreciation in the Statement of Comprehensive Income, Note 4F and Note 6A.

Please amend the GPFR accordingly.

Reconciliation between reporting units

As required within the RG, transactions between reporting units within a registered organisation must be appropriately disclosed. As part of the assessment of the lodged financial return for the reporting unit I note that various transactions have occurred between the reporting unit and the Health Services Union National Office (HSU). To ensure that consistent information is being disclosed, a reconciliation between the lodged financial statements has been conducted. During this review the following discrepancies have been noted:

	2016	2015
	\$	\$
Capitation Fees		
HSU (received)	22,733	20,308
SA/NT (paid)	23,628	18,300
Trade & other Receivables		
HSU	-	779
Trade Payables		
SA/NT	-	-
Cash Inflow		
HSU	22,733	20,308
SA/NT (Note 10B)	140,135	61,991
Cash Outflow		
HSU	-	665
SA/NT (Note 10B)	26,733	29,168
SA/NT (Cash Flow Statement)	25,254	18,300

Please amend the financial statements of the reporting unit accordingly or provide an explanation for the differences.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on 03) 8656 4681 or by email at joanne.fenwick@fwc.gov.au.

Yours sincerely



Joanne Fenwick
Financial Reporting Specialist
Regulatory Compliance Branch



170 Greenhill Road
Parkside SA 5063
Telephone (08) 8279 2255
Mobile 0419 036 615
Facsimile (08) 8279 2223
hsusa@hsusant.org.au
www.hsusant.org.au

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 2016

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 2016 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 15 November 2016; and
- that the full report was presented to meeting of the Branch Committee of Management of the reporting unit on 12 December 2016 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', written over a white background.

Name of prescribed designated officer: Jorge Navas

Title of prescribed designated officer: Branch Secretary

Dated: 13th December 2016

HEALTH SERVICES UNION - SA BRANCH
ABN 35 898 865 510

FINANCIAL REPORT
FOR THE YEAR ENDED
30TH JUNE, 2016

HEALTH SERVICES UNION - SA BRANCH
ABN 35 898 865 510

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Health Services Union - SA Branch
ABN 35 898 865 510

Statement of Comprehensive Income for the Year Ended 30 June 2016

	Note	This Year	Last Year
Revenue			
Capitation Fees	3A	-	-
Levies	3B	-	-
Grants/Donations	3C	-	-
Member Subscriptions		402,741	365,801
Interest Received	3D	4,195	4,348
Total Income		<u>406,936</u>	<u>370,149</u>
Expenses			
Employee Expenses	4A	223,715	227,784
Capitation Fees	4B	23,628	18,300
Affiliation Fees	4C	2,551	10,708
Administration Expenses	4D	141,761	105,827
Depreciation	4E	10,325	11,746
Legal Costs	4F	-	6,201
Other Expenses	4G	-	-
Loss on Sale of Non-Current Asset	4H	-	295
		<u>401,980</u>	<u>380,861</u>
Surplus for the Year (2015 Deficit)		<u>\$ 4,956</u>	<u>(\$ 10,712)</u>

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch
ABN 35 898 865 510

Statement of Financial Position at 30 June 2016

	Note	This Year	Last Year
Accumulated Surplus		<u>\$ 263,698</u>	<u>\$ 258,742</u>
Represented by:			
Current Assets			
Cash and Equivalents	5A	397,064	393,499
Receivables	5B	-	-
Other Current Assets	5C	<u>29,068</u>	<u>12,292</u>
Total Current Assets		426,132	405,791
Non-Current Assets			
Office Furniture & Equipment - At Cost		20,678	19,316
<u>Less: Accumulated Depreciation</u>		<u>(10,874)</u>	<u>(6,720)</u>
		<u>9,804</u>	<u>12,596</u>
Motor Vehicles - At Cost		56,835	56,835
<u>Less: Accumulated Depreciation</u>		<u>(38,322)</u>	<u>(32,151)</u>
		<u>18,513</u>	<u>24,684</u>
Total Non-Current Assets		<u>28,317</u>	<u>37,280</u>
Total Assets		<u>454,449</u>	<u>443,071</u>
Less: Current Liabilities			
Trade Payables	7A	3,912	15,318
Other Payables	7B	42,056	45,407
Provisions	8A	<u>144,783</u>	<u>123,604</u>
		<u>190,751</u>	<u>184,329</u>
Net Assets		<u>\$ 263,698</u>	<u>\$ 258,742</u>

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch
ABN 35 898 865 510

Statement of Change in Equity as at 30 June 2016

	This Year	Last Year
Balance at 1 July 2015	258,742	269,454
Surplus for the year (2015 Deficit)	4,956	(10,712)
Balance at 30 June 2016	<u>\$ 263,698</u>	<u>\$ 258,742</u>

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch
ABN 35 898 865 510

Statement of Cash Flows for the Year Ended 30 June 2016

	This Year	Last Year
Cash Flows from Operating Activities		
Recovery of Wages Activity	-	-
Receipts from Members	402,741	353,509
Interest Received	4,195	4,348
Payments to Employees	(208,276)	(214,540)
Payments to Suppliers	(165,928)	(69,214)
Payments to Associated Entities		
- Health Services Union	(25,254)	(18,300)
- ALP	(298)	(2,080)
- Unions SA	(2,053)	(8,428)
- SA May Day	(200)	(200)
Net Cash from Operations	4,927	45,095
Cash Flows from Investing Activities		
Acquisition of Plant & Equipment	(1,362)	(14,212)
Net Cash from Investing	(1,362)	(14,212)
Increase in Cash	3,565	30,883
Cash at 1 July 2015	393,499	362,616
Cash at 30 June 2016	\$ 397,064	\$ 393,499

Reconciliation of surplus to net cash from Operating Activities

Operating Surplus	4,956	(10,712)
Non-Cash Items		
Depreciation	10,325	12,070
Employee Entitlements Provision	21,179	13,393
Changes in assets/liabilities		
Increase in prepayments	(16,776)	(12,292)
Increase in GST	1,220	(3,495)
Decrease in payables	(15,977)	46,131
	\$ 4,927	\$ 45,095

To be read in conjunction with the accompanying notes

Health Services Union - SA Branch

ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Note 1 Basis of Preparation

The financial report is a general purpose financial report which has 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 financial report, the Health Services Union - SA Branch (HSUSA) is a not for profit entity.

The financial report has been prepared on an accrual basis in accordance with historical cost. Historical cost is generally based on the consideration given at the time to acquire an asset. Fair value is an estimated market value of an item and it is adopted when the fair value varies significantly from the historical cost. Any assets or liabilities measured at fair value will be noted separately. Unless otherwise indicated, no allowance is made for the effect of changing costs on the operating result or the financial position of the HSUSA. The currency is Australian dollars.

Comparatives

The presentation of the non-cash benefits made available to key management personnel has been changed and the comparative figures have been adjusted accordingly.

Expenses Related to Previous Period

A number of entries were processed by the auditors in 2015 and a number of entries were omitted that related to the 2015 year, which resulted in carrying balances in the assets or liabilities that did not change during the current year. Despite being immaterial, these amounts have been written off to avoid carrying them forward indefinitely.

Accounting judgements and estimates

No accounting judgements or estimates have been identified that would risk causing a material adjustment to the carrying amounts of assets and liabilities within the next

New Accounting Standards

No standard is adopted earlier than the application date stated in the standard.

The policies are consistent with those of the previous financial year except for those that came into effect this year.

AASB 2013-9 Amendments to Australian Accounting Standards - Conceptual Framework, Materiality and Financial Instruments

Parts A & B are consequential or editorial amendments that have no impact on the financial report.

Part C is not required to be adopted before 1 January 2017.

AASB 2015-3 Amendmentsto Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality is simply a cosmetic deletion of references that have no impact on the financial report.

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

AASB 2015-4 *Amendments to Australian Accounting Standards - Financial Reporting Requirements for Australian Groups with a Foreign Parent* has not been adopted as HSUSA does not have a foreign parent.

Stand Alone Entity

HSUSA is a stand alone entity with no investments in associates, joint arrangements, business combinations or amalgamations.

Revenue

Revenue is recognised at the cash value received.

Subscriptions are accounted for on a cash basis and recognised when they are received. The vast majority of subscriptions are paid via payroll deduction or periodic payments by direct debit or credit card charge. Invoices are generally not issued and there is no obligation on the part of the member to renew their membership. Members who are not financial cannot vote or partake in the benefits of being a member.

Interest is recognised on an accrual basis.

Employee Entitlements

Employee entitlements in respect of wages and salaries, annual leave, long service leave and termination of employment are accrued when it is probable that payment will be required and the amount can be measured reliably.

Short term entitlements that are payable within twelve months of the end of the reporting period are measured using rates that are applicable at balance date.

Long term entitlements expected to be paid after twelve months apply present values in respect of entitlements up to the reporting date because the actual payment date is unknown and the liability is recorded at balance date.

Superannuation payments to defined benefit plans are recognised when the employee has rendered services entitling them to the contribution.

Cash

Cash is recognised at face value and includes cash on hand, at call bank deposits, other short term (90 day) highly liquid investments that are readily convertible to known cash values.

Financial Liabilities

Trade and other payables are initially recognised at cash value. There are no long term financial liabilities other than Employee Entitlements, which may be paid after twelve months and are referred to above.

Contingencies

The Committee of Management is not aware of any contingencies at balance date.

Plant and Equipment

Acquisitions are recognised initially at cost in the Statement of Financial Position. Where applicable an estimate of the cost of dismantling and removing the item and restoring the site will be included.

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Depreciation

Depreciable assets are written off over their estimated useful life using the diminishing value method. Rates are reviewed at reporting date and adjusted where necessary in the relevant and future reporting periods. Current rates for plant and equipment are based on a useful life of 10 years.

Any gain or loss on disposal or scrapping of an item is determined as the difference between any sale proceeds and the carrying value of the asset and is recognised in the operating statement.

Financial Instruments

Financial Instruments are initially designated at fair value through profit and loss and are recognised when the entity becomes a party to the contractual provisions of the instrument.

Impairment - Non Current Assets

HSUSA's non-current assets are not primarily dependent on their ability to generate future cash flows and they would be replaced if useage was no longer available. Under those circumstances, the value is taken to be equal to its depreciated cost.

Taxation

HSUSA is exempt from income tax under S50.1 of the Income Tax Assessment Act 1997 however still has obligations for FBT and GST.

Revenue and expenditure are recognised net of GST unless:

the GST is not recoverable from the Australian Taxation Office; and

the GST is included in the balance of receivables and payables.

Cash flows in the cash flow statement are gross of GST. GST arising from investing and financing activities which is recoverable from or payable to the ATO is classified within the statement.

The Secretary receives non-cash benefits that are below the reportable threshold for FBT established by the ATO. These benefits are disclosed separately in this financial report in the notes for Employee Benefits, but do not use the grossed up method used by the ATO, but are calculated on an estimated value basis.

Going Concern

HSUSA is not reliant on financial support of another reporting unit to continue as a going concern and has not agree to provide financial support to another reporting unit to ensure they can continue as a going concern.

Note 2 Events After Balance Date

The Committee of Management are not aware of any events that occurred after 30 June 2016, and prior to the signing of the financial statements that would affect the ongoing structure and financial activities of HSUSA.

Note 3	Income	2016	2015
Note 3A	Capitation Fees	-	-
Note 3B	Levies	-	-
Note 3C	Grants/Donations	-	-
Note 3D	Interest		
	Bank	4,195	4,348

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Note 4	Expenses		
Note 4A	Employee Expenses		
	Office holders		
	Wages and salaries	99,669	100,319
	Superannuation	10,622	9,901
	Leave and other entitlements	-	3,906
	Separation & redundancies	-	-
	Other	15,438	13,244
	Office holders employee expenses	<u>125,729</u>	<u>127,370</u>
	Non office holders		
	Wages and salaries	77,013	81,546
	Superannuation	9,469	10,760
	Leave and other entitlements	11,504	8,108
	Separation & redundancies	-	-
	Other	-	-
	Non office holders employee expenses	<u>97,986</u>	<u>100,414</u>
	Total employee expenses	<u>223,715</u>	<u>227,784</u>
Note 4B	Capitation Fees		
	HSU	<u>23,628</u>	<u>18,300</u>
Note 4C	Affiliation Fees		
	- ALP	298	2,080
	- SA Unions	2,053	8,428
	- Other	200	200
	Total Affiliation Fees	<u>2,551</u>	<u>10,708</u>
Note 4D	Administration Expenses		
	Consideration for payroll deductions	-	-
	Compulsory levies	-	-
	Allowances - meeting and conferences	-	-
	Meetings expenses	1,676	3,394
	Contract data processing	6,252	1,268
	Contracting related party	9,220	11,219
	Property expenses	18,907	17,372
	Office expenses	5,791	3,728
	Information communications technology	13,465	10,069
	Other	86,450	58,777
	Total administration expenses	<u>141,761</u>	<u>105,827</u>

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Note 4E	Grants/Donations	-	-
		<hr/> <hr/>	
Note 4F	Depreciation		
	Depreciation plant and equipment	10,325	11,746
		<hr/> <hr/>	
Note 4G	Legal Costs		
	Other matters	-	6,201
		<hr/> <hr/>	
Note 4H	Other Expenses		
	Penalties - RO Act or Regulations	-	-
		<hr/> <hr/>	
Note 4I	Loss on Sale of Asset		
	Plant and equipment	-	295
		<hr/> <hr/>	
Note 5	Current Assets		
Note 5A	Cash and Equivalents		
	Cash at bank	395,062	391,461
	Cash on hand	-	36
	Short term deposits	2,000	2,000
	Other	2	2
	Total cash and equivalents	397,064	393,499
		<hr/> <hr/>	
Note 5B	Receivables		
	Receivables from other reporting units	-	-
	Less provision for doubtful debts	-	-
	Receivables from other reporting units	-	-
		<hr/> <hr/>	
Note 5C	Other Current Assets		
	Prepayments		
	Visa	2,173	-
	Amex	1,929	-
	Insurance	18,644	12,292
	Capitation Fees Health Services Union	4,929	-
	Admin Expenses	1,393	-
	Total Other Current Assets	29,068	12,292
		<hr/> <hr/>	

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Note 6 Non-Current Assets

Note 6A Plant and Equipment Reconciliation

Book Value 1 July 2015	76,151	72,224
Accumulated Depreciation	(38,871)	(37,086)
Net book value 1 July 2015	37,280	35,138
Assets Purchases	1,363	13,888
Depreciation	(10,326)	(11,746)
Net book value 30 June 2016	28,317	37,280
represented by		
Book Value 30 June 2016	77,513	76,151
Accumulated Depreciation	(49,196)	(38,871)
Net book value 30 June 2016	28,317	37,280

Note 7 Current Liabilities

Note 7 A Trade Payables

Trade Creditors and Accruals	3,912	15,318
Payables to other reporting units		
Reporting Units	-	-
Total trade payables	3,912	15,318

Note 7 B Other payables

Superannuation	18,654	18,545
Payroll deductions	-	-
Legal costs	-	-
GST	5,813	4,593
Credit cards	-	85
Reimbursements	(521)	(1,292)
ABN Withholding	4,728	5,217
Wages and salaries - PAYG	13,382	18,259
Total Other Payables	42,056	45,407

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Note 8 Provisions

Note 8A Employee Provisions

Office Holder

Annual leave includes loading	54,335	34,500
Long service leave	72,364	63,538
Separations and redundancies	-	-
Back pay	13,000	13,000
Office holder's provisions	139,699	111,038

Non office holder

Annual leave includes loading	5,084	12,566
Long service leave	-	-
Separations and redundancies	-	-
Non office holder provisions	5,084	12,566

Total employee provisions	144,783	123,604
----------------------------------	----------------	----------------

Current	72,419	60,066
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Non Current	72,364	63,538
-------------	--------	--------

Total employee provisions	144,783	123,604
----------------------------------	----------------	----------------

Note 9 Equity

Note 9A Other Specific Disclosures - Funds

Compulsory levy/voluntary	-	-
Balance at start of year	-	-
Balance at end of year	-	-

Note 10 Cash Flow

Note 10A Cash Flow Reconciliation

Reconciliation of Cash and Equivalents to Cash

Flow Statement

Cash Flow Statement	397,064	393,499
Statement of Financial Position	397,064	393,499
Difference	-	-

Note 10B Cash Flow Information

Cash inflows

HSU	140,135	61,991
-----	---------	--------

Total inflows	140,135	61,991
----------------------	----------------	---------------

Cash outflows

HSU	26,647	29,168
-----	--------	--------

Total Outflows	26,647	29,168
-----------------------	---------------	---------------

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Note 11 Related Party Disclosures

Note 11A Transactions for the Reporting Period

Revenue received from related party

HSU Membership Contributions 140,135 61,991

Expenses paid to related parties

HSU - Capitation Fees 23,628 20,740

- IT 19 -

- Training 491 -

24,138 20,740

Amounts owed by related parties - -

Amounts owed to related parties - -

There are no loans with related parties and no asset transfers took place during the reporting period.

Commercial basis of related party transactions

Transactions with related parties are on arm's length commercial terms. Unpaid amounts are unsecured and interest free until settled. No guarantees of payment have been provided. At 30 June 2016 HSUSA does not consider there is any impairment to receivables (2015 Nil) from related parties or declared persons or bodies.

Note 11B Key Management Personnel Remuneration for the Reporting Period

Short term benefits

Salary (including annual leave taken) 99,669 104,225

Annual leave accrued 9,766 5,859

Vehicle benefit - estimated value 3,185 3,050

Total short term benefits 112,620 113,134

Employer contribution to post employment benefits

Superannuation 10,622 9,901

Total Post Employment benefits 10,622 9,901

Other long term benefits

Long service leave entitlement 72,363 63,538

Total long term benefits 93,607 83,340

Termination benefits - -

Total 206,227 196,474

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Note 11C	Transactions with close family member of key management personnel		
	Other transactions		
	Juanita Navas - daughter of the secretary		
	Contract clerical and administrative work at an hourly rate.	9,220	10,169
		<hr/>	<hr/>
Note 12	Remuneration of Auditors		
	Services provided		
	Financial statement audit services	8,060	15,383
	Other services	6,140	-
	Total remuneration	<hr/> 14,200	<hr/> 15,383
Note13	Financial Instruments		
Note 13A	Categories of Financial Instruments		
	Designated fair value through profit or loss	426,132	405,791
	Carrying amount of financial assets	<hr/> 426,132	<hr/> 405,791
	Financial Liabilities		
	Designated fair value through profit or loss		
	Payables	45,968	60,725
	Total	<hr/> 45,968	<hr/> 60,725
	Other financial liabilities		
	Employee entitlements	144,783	123,604
	Total	<hr/> 144,783	<hr/> 123,604
	Carrying amount of financial liabilities	<hr/> 190,751	<hr/> 184,329
Note 13B	Net income and expense from financial assets		
	Designated as fair value through profit and loss		
	Interest revenue	4,195	4,348
	Change in fair value	-	-
	Total designated as fair value through profit and loss	-	-
Note 13C	Net income and expense from financial assets		
	Designated as fair value through profit and loss		
	Interest expense	-	-
	Change in fair value	-	-
	Total designated as fair value through profit and loss	-	-

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Note13D Credit Risk

Financial Assets		
Designated as fair value through profit and loss	426,132	405,791
Financial Liabilities		
Designated as fair value through profit and loss		
Credit quality of financial instruments not past due or impaired		
Designated as fair value through profit and loss	426,132	405,791

Financial assets consist entirely of cash or equivalents and prepayments, so no credit risk is considered to apply.

Note 13E Liquidity Risk

Contractual maturities for financial liabilities		
Designated as fair value through profit and loss	36,269	60,725

All non-derivative financial liabilities are on demand

Note 13F Market Risk

The entity is exposed to interest rate risk, however with no borrowings and interest rates at historic lows and no sign of any significant change in the foreseeable future, any change in interest rates is unlikely to impact on operations.

Note 14 Fair Value Measurement

Management has assessed that cash and equivalents, payables and other current liabilities equate their carrying value because of the short term nature of these arrangements.

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections 91) to (3) of section 272, which says:

- (i) A member or General Manager 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.
- (ii) The application must be in writing and must specify the period and manner in which the information is to be made available. The period must not be less than fourteen (14) days after the application is given to the reporting unit.
- (iii) A reporting unit must comply with an application made under this section.

Health Services Union - SA Branch
ABN 35 898 865 510

Notes to an Forming Part of the Financial Report for the Year Ended 30 June 2016

Note 16 Disclosures Required Under Rules 85-88

Remuneration and Non-Cash Benefits for Officers during the year ended 30 June 2016

No remuneration was paid to an officer because of membership of, or a position on a board or committee or holding an office of the Union nor was any nominated, proposed, recommended or suggested for membership of, or position on the Board by the Union, Branch or a peak council or any related party of the Union, in connection with the performance of that person's duties as an officer.

Remuneration of Highest Paid Officer

Office	Officer	Type	Cash or Benefit	Amount
Branch Secretary	Jorge Navas	Wages	Cash	99,669
Member National Executive		Superannuation	Cash	9,469
National Councillor		Private Use of Motor Vehicle	Benefit	3,185

Material Personal Interests during the year ended 30 June 2016

Office	Officer	Details of Material Personal Interest
Branch Secretary	Jorge Navas	Mr Navas' daughter provides clerical support on an occasional and casual basis for the SA Branch when workload demands and is paid for her services on an hourly rate.
Member National Executive		
National Councillor		

Disclosure of Payments during the year ended 30 June 2016

No payments were made to a related party of the Union or branch of the Union or a declared person or party of the Union that has not been disclosed in the Financial Report.

**HEALTH SERVICES UNION SA BRANCH
ABN 35 898 865 510**

OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

The operating report has been prepared by the designated officer, Jorge Navas.

The principal activities of the union during the year were to improve the rights of members, maintain reasonable working conditions including fair wages and industrial conditions for the members.

There were no significant changes to the principal activities during the year.

The results of the reporting unit were impacted by several items that related to previous years that had not been recorded at the time.

Resignation Rules

- (1) A member may resign from the Branch by written notice addressed and delivered to the Branch Secretary or a Branch of the Union;
- (2) Such notice takes effect
 - (a) Where the member becomes ineligible to be 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 ineligibility, whichever is 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 accordance with subsection (1).
- (6) A resignation is valid even if it is not affected in accordance with these provisions if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted by the Union.

The number of members at the end of the financial year was 1,138 and there were 2 full time equivalent employees at that time.

Committee of Management

The following persons were members of the Committee of Management during the year. All positions were held for the full twelve months, unless otherwise stated:

Anthony Newman; Bruno Sonza; John Hristopoulous; Karryn Sampson; Lesley Dummin; Thomas Di Santo; Mark Panes; Riccardo Ianella; Jorge Navas; Tony Hewitt (1 July 2015 - 22 February 2016); John Drysdale (1 July 2015 - 22 February 2016); Sandra Alston (1 July 2015 - 22 February 2016); Chi-Wing

Sung (22 February 2016 - 30 June 2016); Lida Sam (22 February, 2016 - 30 June, 2016) and Catherine Painter (22 February - 30 June, 2016).

Superannuation Trustees

No officer, employee, official of the reporting unit held has been a trustee or director of a corporate trustee of any superannuation entity where such position is dependent upon them being a member of the Union.

A handwritten signature in black ink, appearing to be 'M.D.', written in a cursive style.

Branch Secretary

Health Services Union SA NT Branch

Date: 14/11/2016

HEALTH SERVICES UNION SA BRANCH
ABN 35 898 865 510

COMMITTEE OF MANAGEMENT STATEMENT FOR THE YEAR ENDED 30 JUNE 2016

The Committee of Management (Committee) hereby passes the following resolution pertaining to the general purpose financial report and notes for the year ended 30 June 2016.

In the opinion of the Committee:

- (a) The financial report and notes thereto comply with the Australian Accounting Standards;
- (b) The financial report and notes thereto comply with the reporting guidelines of the General Manager;
- (c) The financial report and notes thereto give a true and fair view of the financial performance, financial position and cash flow for the branch for the financial year to which they relate;
- (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 year and since the end of that financial year;
 - (i) meetings of committee of management were held in accordance with the rules of the organisation and branch; and
 - (ii) the financial affairs of the union have been managed in accordance with the rules of the organisation and branch; and
 - (iii) the financial records of the branch have been kept and maintained in accordance with the RO Act unless otherwise stated; and
 - (iv) there is only one reporting unit; and
 - (v) any information sought by a member of the branch or General Manager under S272 of the RO Act has been provided to the person making the request; and
 - (vi) there has been no order for inspection.
- (f) No revenue has been derived from undertaking recovery of wages activity during the year.

Signed in accordance with the resolution of the Committee of 7th November 2016

Branch Secretary.....


Jorge Navas

Health Services Union SA NT Branch

Date: 14/11/2016

MICHAEL D. MACKENROTH

CHARTERED ACCOUNTANT

15 Lakeview Avenue
West Lakes SA 5021
Telephone: (08) 8240 5318
Facsimile: (08) 8240 4867
staterisland@adam.com.au

Independent Auditor's Report

P.O. Box 7254
WEST LAKES SA 5021

Scope

This report has been prepared for the members of the Health Services Union - SA and NT Branch (HSUSA) and covers the general purpose financial report for the year ended 30 June 2016 and includes the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Change in Equity, the Statement of Cash Flows, the Notes to and Forming Part of the Financial Report and the Committee of Management Statement in order to meet its obligation to lodge it with the Australian Fair Work Commission (the Commission) in accordance with the requirements of the *Fair Work (Registered Organisations) Act* (the RO Act). This report contains the information and matters required by the RO Act. I disclaim any assumption of responsibility for any reliance on this report to any person other than:

- the members,
- the Commission, or
- a person who has received my written consent to use the report.

In any event these parties may only rely on this report for the purpose for which it was prepared.

Internal Procedures

To the extent of its obligations under the RO Act, the Committee of Management of the HSUSA (the Committee) is responsible for establishing and maintaining effective internal controls in relation to compliance with the requirements of the RO Act. Because of the inherent limitations of any internal control structure it is possible that errors or irregularities may occur and not be detected. I have not audited the overall internal control structure and no opinion is expressed as to its effectiveness. An audit is not designed to detect all weaknesses in control procedures or all instances of noncompliance with the RO Act or the financial conditions of the HSUSA as it is not performed continuously throughout the period and the tests performed are on a sample basis having regard to the nature and size of the HSUSA.

My procedures have been conducted in accordance with Australian Auditing Standards, and accordingly included such tests and procedures that I considered necessary in the circumstances, based on my assessment of the risk of material misstatement of the financial report, whether due to fraud or error. Any projection of the evaluation of internal control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

Committee's Responsibility

The Committee is responsible for the preparation and fair presentation of the general purpose financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I believe I have obtained sufficient and appropriate audit evidence to allow me to form an audit opinion.

Going Concern

The financial report has been prepared on a going concern basis. The HSUSA is not reliant on financial support from any associated entity, has not pledged financial support to any associated entity and has no external borrowings. I see no reason to suggest that the going concern approach is not appropriate in these circumstances.

"Your Business is Our Business"

Liability limited by a scheme approved under Professional Standards Legislation

Independence Declaration

To the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit of the HSUSA for the period.

I have not audited and pass no opinion on any transactions or matters that occurred prior to 1 July 2015.

Opinion

In my opinion, the financial report of the HSUSA is prepared in accordance with the RO Act, including:

- a) Giving a true and fair view of the HSUSA's financial position as at 30 June 2016 and its financial performance for the year ended on that date; and
- b) Complying with the Australian Accounting Standards and Interpretations and the requirements of the RO Act.



Michael Mackenroth
Registered Auditor 5371

14. 11. 2016



8 December 2016

Mr Jorge Navas
Secretary
Health Services Union-South Australia/Northern Territory Branch

Sent via email: jorge@hsusant.org.au

Dear Mr Navas,

Lodgement of Financial Report - Reminder to lodge

The Fair Work Commission's (the Commission) records disclose that the financial year of the Health Services Union-South Australia/Northern Territory Branch (the reporting unit) ended on the 30 June 2016.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the Commission within 14 days of that meeting.

The Commission encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the General Manager instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the General Manager following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$54,000 per contravention on the organisation and up to \$10,800 per contravention on an officer whose conduct led to the contravention.

Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to orgs@fwc.gov.au. That is the official email address for electronic lodgements of material related to registered organisations matters.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Should you seek any clarification in relation to the above, please contact me on (03) 8656 4699 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,



Sam Gallichio
Adviser
Regulatory Compliance Branch



15 July 2016

Mr Jorge Navas
Secretary
Health Services Union-South Australia/Northern Territory Branch
By email: jorge@hsusant.org.au

Dear Mr Navas,

**Re: Lodgement of Financial Report - [FR2016/214]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Health Services Union-South Australia/Northern Territory Branch (the reporting unit) ended on 30 June 2016.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

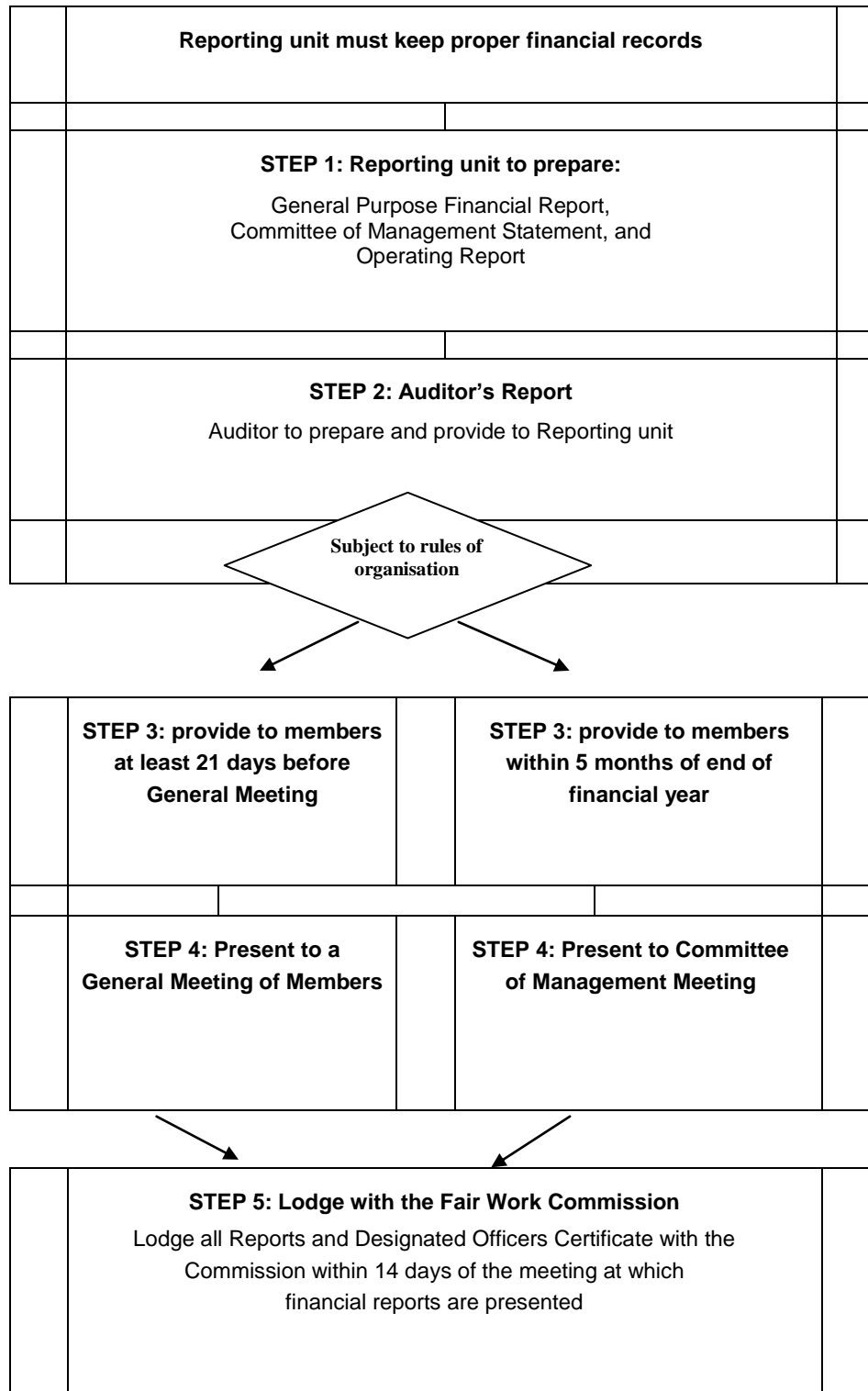


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:







- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,* and
- the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au