

19 December 2016

Mr Tim Jacobson
Secretary, Tasmania Branch
Health Services Union

By email: tim@hacsutas.net.au



Dear Mr Jacobson

Re: Lodgement of Financial Statements and Accounts – Health Services Union, Tasmania Branch - for year ended 30 June 2016 (FR2016/153)

I refer to the financial report for the Tasmania Branch of the Health Services Union. The report was lodged with the Fair Work Commission on 13 December 2016.

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

Please note that the financial report for the year ending 30 June 2017 may be subject to an advanced compliance review.¹

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC 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](#).

Should you require further information on the financial reporting requirements of the Act, I may be contacted on (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely



Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

From: KELLETT, Stephen
Sent: Monday, 19 December 2016 11:39 AM
To: 'tim@hacsutas.net.au'
Cc: 'ellita.oost@hacsutas.net.au'
Subject: Financial reporting - y/e 30 June 2016 - filing

Dear Mr Jacobson,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(mob.) 0429 462 979
(email) stephen.kellett@fwc.gov



HSU TN1 FR2016
153 (primary final).pdf

From: Ellita Oost [<mailto:ellita.oost@hacsutas.net.au>]

Sent: Tuesday, 13 December 2016 4:27 PM

To: Orgs

Cc: Tim Jacobson; Angela Cook

Subject: On CMS FR2016/153 Health Services Union of Australia (Tasmania Branch) - 2016 Financial Statements Lodged.pdf - Adobe Acrobat Professional

To The General Manager,

Please find attached the Health Services Union of Australia (Tasmanian Branch) 2016 Financial Statements.

Kind regards,

Ellita Oost | Administration Manager

p 1300 880 032 f 03 6228 0258

e ellita.oost@hacsutas.net.au w www.hacsutas.asn.au

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HACSU acknowledges the Traditional Owners and Elders past and present across Tasmania.

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Health Services
Union of Australia (T:

The General Manager
Fair Work Commission
GPO Box 1994
MELBOURNE VIC 3001

Dear Sir

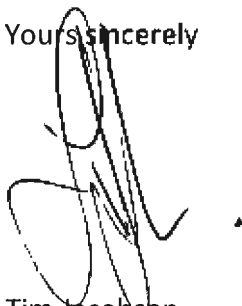
FINANCIAL RETURNS FOR 2015/2016

In accordance with reporting requirements under s268 of Fair Work (Registered Organisations) Act 2009, please find attached:

- A copy of the full report of the General Purpose Financial Report 2015/2016
- Designated Officer's Certificate;

for the Health Services Union, Tasmania Branch.

Yours sincerely



Tim Jacobson
STATE SECRETARY

13 December 2016

Health Services Union, Tasmania Branch

s.268 Fair Work (Registered Organisations) Act 2009

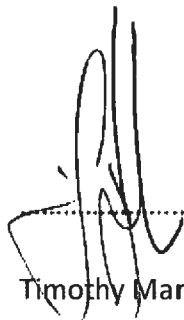
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2016

I, Timothy Martin Jacobson, being the Branch Secretary of the Health Services Union, Tasmania Branch, certify:

- That the documents lodged herewith is a copy of the full report for the Health Services Union, Tasmania Branch, 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 23 August 2016; and;
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 13 December 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



.....

Name of prescribed designated officer:

Timothy Martin Jacobson

Title of prescribed designated officer:

Branch Secretary

Dated:

..... 13/12/16

FINANCIAL REPORT

FOR THE YEAR ENDED

30 JUNE 2016

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016**

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Health Services Union, Tasmania Branch

OPERATING REPORT

For the period ended 30 June 2016

The committee presents its report on the reporting unit for the financial year ended 30 June 2016.

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year

- Representing individual members in grievance disputes with employers. The Branch's Member Contact Centre, HACSUassist continued to support hundred's of members with the provision on information and representation with grievances and disputes with their employer. The level of activity in this area was consistent with the previous year's activity.
- Representing groups of members at various workplaces regarding disputes with employers. The HACSU Organising teams in the South and North/North-West of the State worked with groups on members at worksites concerning issues with their employer.
- Negotiating Collective Bargaining Agreements resulting in increased wages and conditions for members covered by those Agreements. Agreements were renegotiated as they expired and new agreements were entered into. The number of members covered by Collective Bargaining Agreements was at approximately the same level as the previous year.
- Providing certain classes of members with professional indemnity and legal benefits insurance. The number of claims made against these policies was consistent with the previous year.
- Providing members with access to cheap affordable holidays in the Union's holiday homes. The number of members accessing the holiday homes was at about the same level as the previous year.
- Providing Union Delegates and Worksite Committee members with training and education to enable them to better represent members in the workplace. The level of training was at about the same level as last year.
- Providing members with access to affordable continuing professional development through the provision of online learning.

Significant changes in financial affairs

The net assets of the Branch increased by \$310,786 during the financial year.

INCOME

Total income was up \$129,498 on the previous financial year.

Membership subscriptions increased by \$142,218 compared to the previous financial year which results from an increase to membership subscription rates and slightly increased membership.

Other revenue was up by \$4,630, this was primarily associated with an increase in sponsorship and advertising income and increases in discount card sales.

EXPENSES

Overall expenditure of the branch increased by \$74,616.

Capitation fees were up \$1,556 on the previous year due to an increase in capitation fees payable to the National Union.

Affiliation fees were up \$9,846 due to the readmission of the HSU into the Australian Council of Trade Unions.

During the past financial year the Branch disposed of one holiday home at Arthurs Lake primarily because of high expenses and low occupancy. This resulted in a net loss of \$10,574 to the Branch.

A summary of the main movement in areas of operating expenditure were:

- Legal costs have decreased by \$17,743 primarily as a result of litigation undertaken in the previous financial year coming to an end.
- Organising Campaign Expenses increased by \$4,479 due to an increase in industrial activity during the year.
- Expenditure on Discount Card purchases increased by \$13,273 due to an increase in popularity and demand.
- Consultancy fees are down \$21,818 directly resulting from the cessation of the contract with the Branches external publications provider.
- Inform costs are up by \$23,534 primarily resulting from the publication of one extra edition of the Union journal "Inform" compared with the previous financial year and increased postages costs associated with same.
- Communications costs are down by \$20,983 which results from the renegotiation of the Branches Internet and telephony provider contract
- Repairs and maintenance costs increased by \$4,729 as a result on renovations in the Branches Launceston office.
- Donations increased by \$37,000 as a result of providing financial support to candidates in the 2016 Federal Election.

Right of members to resign

Section 174 of Fair Work (Registered Organisations) Act 2009 states that a member of the Union may resign from membership by written notice addressed and delivered to the State Secretary giving two weeks' notice.

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

No Officers or employees were superannuation fund trustee(s) or directors of a company that is a superannuation fund trustee, including an exempt public sector superannuation fund during the financial year.

Number of members

The number of persons that were members of the union at 30 June 2016 was 7,603.

Number of employees

As at 30 June 2016, the number of full-time equivalent persons, excluding casuals, who were employees of the Union, was 24.

Names of Committee of Management members and period positions held during the financial year

The following persons were members of the Committee of Management of the reporting unit during the 2015/2016 Financial Year.

Judy Richmond	Branch President	1 Jul 2015 to 30 Jun 2016
Tim Jacobson	Branch Secretary	1 Jul 2015 to 30 Jun 2016
Robbie Moore	Assistant Branch Secretary	1 Jul 2015 to 30 Jun 2016
John Richardson	Senior Vice President	1 Jul 2015 to 30 Jun 2016
Chris Webb	Junior Vice President	1 Jul 2015 to 30 Jun 2016
Leigh Gorringe	Branch Trustee	1 Jul 2015 to 30 Jun 2016
Peter Moore	Branch Trustee	1 Jul 2015 to 30 Jun 2016
Andrew Challis	COM Member	1 Jul 2015 to 30 Jun 2016
Christine Hansson	COM Member	1 Jul 2015 to 30 Jun 2016
Pru Peschar	COM Member	1 Jul 2015 to 30 Jun 2016
Carolyn Shearer	COM Member	1 Jul 2015 to 30 Jun 2016
Mike Coombs	COM Member	1 Jul 2015 to 30 Jun 2016
Pam Brock	COM Member	1 Jul 2015 to 30 Jun 2016
Marlene McHenry	COM Member	1 Jul 2015 to 30 Jun 2016
Audrey Prosser	COM Member	1 Jul 2015 to 30 Jun 2016
Zita Mitchell	COM Member	1 Jul 2015 to 25 Feb 2016

Name of prescribed designated officer:

Timothy Martin Jacobson

Title of prescribed designated officer:

Branch Secretary

Signature:

A handwritten signature in black ink, appearing to read 'T. Martin Jacobson', with a small dot at the end.

Dated: 26 July 2016

Health Services Union, Tasmania Branch

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2016

On the 26th of July 2016 the Branch Committee of Management of the Health Services Union, Tasmania Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2016:

The Branch Committee of Management declares that in its opinion:

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

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

A handwritten signature in black ink, appearing to read 'T. Martin Jacobson', with a period at the end.

Name of prescribed designated officer:

Timothy Martin Jacobson

Title of prescribed designated officer:

Branch Secretary

Dated: 26 July 2016

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016**

	NOTE	2016 \$	2015 \$
Revenue			
Membership subscriptions		3,675,585	3,533,367
Capitation fees	3(a)	-	-
Levies	3(b)	44	5,536
Interest	3(c)	29,565	25,317
Rental revenue	3(d)	36,237	34,189
Grants & donations	3(e)	-	-
Other revenue	3(g)	700,272	695,686
Total revenue		4,441,703	4,294,095
Other income			
Net gains/(losses) from sale of assets	3(f), 4(j)	(14,640)	2,687
Total other income		(14,640)	2,687
Total income		4,427,063	4,296,782
Expenses			
Employee expenses	4(a)	2,262,596	2,203,625
Capitation fees	4(b)	176,835	175,279
Affiliation fees	4(c)	81,871	72,025
Administration expenses	4(d)	432,011	473,736
Grants & donations	4(e)	40,000	3,000
Depreciation, amortisation & impairment	4(f), 4(i)	93,644	108,053
Finance costs	4(g)	-	-
Legal costs	4(h)	49,144	66,887
Audit fees	13	14,200	13,200
Other expenses	4(k)	1,039,809	999,689
Total expenses		4,190,110	4,115,494
Profit/(loss) for the year		236,953	181,288
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss		-	-
Gain on revaluation of land & buildings		73,833	-
Total comprehensive income for the year		310,786	181,288

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2016**

	NOTE	2016 \$	2015 \$
ASSETS			
Current assets			
Cash & cash equivalents	5(a)	1,527,536	1,128,688
Trade & other receivables	5(b)	14,304	1,497
Other current assets	5(c)	232,753	242,789
Total current assets		1,774,593	1,372,974
Non-current assets			
Land & buildings	6(a)	2,160,905	2,226,971
Plant & equipment	6(b)	85,366	72,608
Furniture & fittings	6(c)	27,110	33,164
Motor vehicles	6(d)	176,402	174,168
Intangibles	6(e)	42,507	53,171
Total non-current assets		2,492,290	2,560,082
TOTAL ASSETS		4,266,883	3,933,056
LIABILITIES			
Current liabilities			
Trade payables	7(a)	-	-
Other payables	7(b)	147,161	125,489
Employee provisions	8(a)	285,033	329,594
Total current liabilities		432,194	455,083
Non-current liabilities			
Employee provisions	8(a)	114,968	69,038
Other non-current liabilities	9	-	-
Total non-current liabilities		114,968	69,038
TOTAL LIABILITIES		547,162	524,121
NET ASSETS		3,719,721	3,408,935
EQUITY			
Asset revaluation reserve	10	518,222	444,389
Retained earnings/(accumulated deficit)	10	3,201,499	2,964,546
TOTAL EQUITY		3,719,721	3,408,935

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	NOTE	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
Balance as at 1 July 2014		2,783,258	444,389	3,227,647
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		181,288	-	181,288
Other comprehensive income for the year		-	-	-
Transfers (to)/from reserves		-	-	-
Transfers from retained earnings		-	-	-
Closing balance as at 30 June 2015		2,964,546	444,389	3,408,935
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		236,953	-	236,953
Other comprehensive income for the year		-	73,833	73,833
Transfers (to)/from reserves		-	-	-
Transfers from retained earnings		-	-	-
Closing balance as at 30 June 2016	10	3,201,499	518,222	3,719,721

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2016**

	NOTE	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Membership subscriptions		4,058,561	3,894,900
Receipts from other reporting units/controlled entity(s)	11(b)	18,852	23,457
Interest received		29,565	25,317
Other		<u>682,253</u>	<u>709,237</u>
Cash paid			
Employees		(2,365,136)	(2,118,188)
Suppliers		(1,881,751)	(2,033,983)
Payments to other reporting units/controlled entity(s)	11(b)	<u>(176,835)</u>	<u>(175,279)</u>
Net cash from/(used in) operating activities	11(a)	<u>365,509</u>	<u>325,461</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant & equipment		37,923	19,545
Proceeds from sale of land & buildings		139,366	-
Other		<u>-</u>	<u>-</u>
Cash paid			
Purchase of plant & equipment		(133,908)	(69,682)
Purchase of land & buildings		(10,042)	-
Other		<u>-</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>33,339</u>	<u>(50,137)</u>
FINANCING ACTIVITIES			
Cash received			
Contributed entity		-	-
Other		<u>-</u>	<u>-</u>
Cash paid			
Repayment of borrowings		-	-
Other		<u>-</u>	<u>-</u>
Net cash from/(used in) investing activities		<u>-</u>	<u>-</u>
Net increase/(decrease) in cash held		<u>398,848</u>	<u>275,324</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,128,688</u>	<u>853,364</u>
Cash and cash equivalents at the end of the reporting period	5(a)	<u>1,527,536</u>	<u>1,128,688</u>

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 30 JUNE 2016**

	NOTE	2016 \$	2015 \$
Cash assets in respect of recovered money at beginning of year		-	-
Receipts			
Amounts recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
		<hr/>	<hr/>
Total receipts		-	-
Payments			
Deductions of amounts due in respect of membership for:			
12 months or less		-	-
Greater than 12 months		-	-
Deductions of donations or other contributions to accounts or funds of:			
The reporting unit:			
name of account		-	-
name of fund		-	-
Name of other reporting unit of the organisation:			
name of account		-	-
name of fund		-	-
Name of other entity:			
name of account		-	-
name of fund		-	-
Deductions of fees or reimbursement of expenses		-	-
Payments to workers in respect of recovered money		-	-
		<hr/>	<hr/>
Total payments		-	-
Cash asset's in respect of recovered money at end of year		<hr/>	<hr/>
		-	-
Number of workers to which the monies recovered relates		-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed			
Payable balance		-	-
Number of workers the payable relates to		-	-
Fund or account operated for recovery of wages		-	-

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

1. Accounting Policies

(a) Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, Health Services Union (Tasmania Branch) is a not-for-profit entity.

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

(b) Comparative amounts

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

(c) Significant Accounting Judgements and Estimates

There are no accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

(d) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards, which have been adopted for the first time this financial year:

AASB 10 Consolidated Financial Statements redefines the concept of control. AASB 10 replaces the consolidation requirements of SIC-12 Consolidation—Special Purpose Entities and AASB 127 Consolidated and Separate Financial Statements and is effective for not-for-profit entities with annual periods beginning on or after 1 January 2014. This Standard did not have an impact on Health Services Union (Tasmania Branch).

AASB 11 Joint Arrangements sets out a new framework for the accounting for joint ventures, including removal of the option to use proportionate consolidation. This Standard did not have an impact on Health Services Union (Tasmania Branch).

AASB 12 Disclosures of Interests in Other Entities is a disclosure standard that includes all of the disclosure requirements for subsidiaries, joint arrangements, associates and consolidated and unconsolidated structured entities. As a result of adopting this Standard, additional disclosures on the Health Services Union (Tasmania Branch) associates have been included in Note 12.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Health Services Union (Tasmania Branch) are nil.

(e) Investment in associates

An associate is an entity over which the Health Services Union (Tasmania Branch) has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations.' Under the equity method, an investment in an associate is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate exceeds the interest in that associate, the Health Services Union (Tasmania Branch) discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

1. Accounting Policies (cont.)

(f) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

(g) Government grants

Government grants are not recognised until there is reasonable assurance that the Health Services Union (Tasmania Branch) will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Health Services Union (Tasmania Branch) recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Health Services Union (Tasmania Branch) should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Health Services Union (Tasmania Branch) with no future related costs are recognised in profit or loss in the period in which they become receivable.

(h) Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(i) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and record as a revenue and/or expense in the year to which it relates.

(j) Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. Reporting Unit recognises a provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

1. Accounting Policies (cont.)

(k) Borrowing costs

All borrowing costs are recognised in profit and loss in the period in which they are incurred.

(l) Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

(m) Financial instruments

Financial assets and financial liabilities are recognised when the union becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

(n) Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

1. Accounting Policies (cont.)

(n) Financial assets (cont.)

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

1. Accounting Policies (cont.)

(n) Financial assets (cont.)

Derecognition of financial assets

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

(o) Financial liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

(p) Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

1. Accounting Policies (cont.)

(q) Land, Buildings, Plant & Equipment

Asset Recognition Threshold

Purchases of land, buildings, Plant & Equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Revaluations—Land & Buildings

Following initial recognition at cost, Land & Buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Depreciation

Depreciable property, Plant & Equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2016	2015
Land & Buildings	Not depreciated	Not depreciated
Plant & Equipment	0 to 5 years	0 to 5 years
Furniture & Fittings	0 to 5 years	0 to 5 years
Motor Vehicles	5 to 8 years	5 to 8 years

Derecognition

An item of land, buildings, Plant & Equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, Plant & Equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

(r) Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

(s) Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

The useful life of Health Services Union (Tasmania Branch) intangible assets are:

	2016	2015
Intangibles	3 to 10 years	3 to 10 years

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

1. Accounting Policies (cont.)

(t) Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the union were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

(u) Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

(v) Taxation

Health Services Union (Tasmania Branch) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

(w) Fair value measurement

The union measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the union. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

1. Accounting Policies (cont.)

(w) Fair value measurement (cont.)

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best

The union uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the union determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the union has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(x) Going concern

Health Services Union (Tasmania Branch) is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Health Services Union (Tasmania Branch) has not agreed to provide financial support to any other reporting unit to ensure they can continue on a going concern basis.

2. Events after the reporting period

There were no events that occurred after 30 June 2016, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Health Services Union (Tasmania Branch).

	2016	2015
	\$	\$
3. Revenues		
(a) Capitation fees		
Capitation fees	-	-
Total capitation fees	-	-
(b) Levies		
Ambulance Tasmania Professional Rates Hearing Levy	44	5,536
Total levies	44	5,536
(c) Interest		
Bank accounts and deposits	29,565	25,317
Total interest	29,565	25,317

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

	2016	2015
	\$	\$
3. Revenues (cont.)		
(d) Rental revenue		
Properties	36,237	34,189
Total rent received	<u>36,237</u>	<u>34,189</u>
(e) Grants & donations		
Grants	-	-
Donations	-	-
Total grants & donations	<u>-</u>	<u>-</u>
(f) Net gain on sale from assets		
Land & Buildings	-	-
Intangibles	-	-
Motor vehicles	-	-
Plant & Equipment	-	2,887
Total net gain on sale of assets	<u>-</u>	<u>2,887</u>
(g) Other revenue		
Management fees	35,404	33,298
Movie ticket sales	127,582	126,153
Discount card sales	482,790	469,775
Merchandise - promotional	268	718
Sundry:		
National Office reimbursement - wages	-	-
National Office reimbursement	4,176	2,331
National Exec reimbursement	7,567	6,125
Delegate training reimbursement	-	-
Outbound calling income	-	-
Worker's compensation reimbursement	14,884	15,365
Government Paid parental leave	-	-
HACSU Vic #2 - TUEF Education project (2013)	-	15,000
Sponsorship and advertising income	15,873	4,818
Other	11,728	22,103
Total Revenue	<u>700,272</u>	<u>695,686</u>
4. Expenses		
(a) Employee expenses		
Holders of office:		
Wages and salaries	229,374	215,901
Superannuation	53,757	48,514
Leave and other entitlements	(10,393)	12,491
Separation and redundancies	-	-
Other employee expenses	5,750	1,795
Subtotal employee expenses - holders of office	<u>278,489</u>	<u>278,700</u>

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

	2016	2015
	\$	\$
4. Expenses (cont.)		
(a) Employee expenses (cont.)		
Employees other than office holders:		
Wages and salaries	1,671,810	1,586,547
Superannuation	285,593	284,146
Leave and other entitlements	11,762	41,661
Separation and redundancies	-	-
Other employee expenses	14,943	12,571
Subtotal employee expenses - employees other than holders of office	<u>1,984,107</u>	<u>1,924,925</u>
Total employee expense	<u>2,262,596</u>	<u>2,203,625</u>
(b) Capitation fees		
National Office	176,835	175,279
Total capitation fees	<u>176,835</u>	<u>175,279</u>
(c) Affiliation fees		
ALP	26,564	26,604
APHEDA	273	236
Unions Tasmania	43,982	44,594
TasCOSS	227	591
ACTU	10,825	-
Total affiliation fees	<u>81,871</u>	<u>72,025</u>
(d) Administration expenses		
Consideration to employers for payroll deductions	2,174	2,347
Compulsory levies	-	-
Fees/allowances - meeting and conferences	780	982
Conference and meeting expenses	60,311	59,029
Contractors/consultants	25,455	47,273
Property expenses	131,897	121,229
Office expenses	59,514	70,013
Information communications technology	151,880	172,863
Total administration expenses	<u>432,011</u>	<u>473,736</u>
(e) Grants & donations		
Grants		
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	40,000	3,000
Total grants or donations	<u>40,000</u>	<u>3,000</u>

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

	2016	2015
	\$	\$
4. Expenses (cont.)		
(f) Depreciation & amortisation		
Depreciation:		
Land & buildings	-	-
Plant & equipment	33,989	26,254
Office furniture	6,054	6,267
Motor vehicles	42,937	62,241
Total depreciation	<u>82,980</u>	<u>94,762</u>
Amortisation:		
Information systems	10,664	13,291
Total amortisation	<u>10,664</u>	<u>13,291</u>
Total depreciation & amortisation	<u>93,644</u>	<u>108,053</u>
(g) Finance costs		
Overdrafts/loans	-	-
Total finance costs	<u>-</u>	<u>-</u>
(h) Legal costs		
Litigation	-	-
Other legal matters	49,144	66,887
Total legal costs	<u>49,144</u>	<u>66,887</u>
(i) Write-down & impairment of assets		
Asset write-downs and impairments of:		
Land & buildings	-	-
Plant & equipment	-	-
Intangible assets	-	-
Other	-	-
Total write down and impairment of assets	<u>-</u>	<u>-</u>
(j) Net losses from sale of assets		
Land & buildings	10,574	-
Plant & equipment	-	-
Motor vehicles	4,066	-
Intangibles	-	-
Total net losses from asset sales	<u>14,640</u>	<u>-</u>
(k) Other expenses		
Insurances	91,357	90,510
INFORM member magazine	40,487	16,953
Staff training	12,690	16,761
Delegate training	2,665	4,224
Movie ticket purchases	126,347	124,634
Discount card purchases	483,041	469,768
Other expenses	283,222	276,839
Penalties (via RO Act or RO Regulations)	-	-
Total other expenses	<u>1,039,809</u>	<u>999,689</u>

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

	2016 \$	2015 \$
5. Current Assets		
(a) Cash & cash equivalents		
Cash at bank	52,926	64,946
Cash on hand	500	600
Deposits at call	<u>1,474,110</u>	<u>1,063,142</u>
Total cash and cash equivalents	<u>1,527,536</u>	<u>1,128,688</u>
(b) Trade & other receivables		
Receivables from other reporting unit(s):		
HACSU (VIC No.2 Branch)	-	-
HSU National Office	<u>339</u>	<u>308</u>
Total receivables from other reporting unit(s)	<u>339</u>	<u>308</u>
less provision for doubtful debts		
HACSU (VIC No.2 Branch)	-	-
HSU National Office	<u>-</u>	<u>-</u>
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Net receivable from other reporting units	<u>339</u>	<u>308</u>
Other receivables:		
GST receivable from the Australian Taxation Office	-	-
Membership fees in arrears	787	984
Other trade receivables	<u>13,178</u>	<u>205</u>
Total other receivables	<u>13,965</u>	<u>1,189</u>
Total trade and other receivables (net)	<u>14,304</u>	<u>1,497</u>
(c) Other current assets		
Inventory (movie tickets and discount cards)	161,450	150,252
Insurance accrual	<u>71,303</u>	<u>92,537</u>
Total other current assets	<u>232,753</u>	<u>242,789</u>
6. Non-current Assets		
(a) Land & Buildings		
Land & Buildings:		
Fair value	2,160,905	2,226,971
Accumulated depreciation	<u>-</u>	<u>-</u>
Total Land & Buildings	<u>2,160,905</u>	<u>2,226,971</u>
Reconciliation of the opening and closing balances of land & buildings:		
Balance at beginning of year:	2,226,971	2,226,971
Additions	-	-
Revaluations	73,833	-
Disposals	(129,325)	-
Depreciation expense	-	-
Profit/(Loss) on disposal	<u>(10,574)</u>	<u>-</u>
Balance at end of year	<u>2,160,905</u>	<u>2,226,971</u>

**HEALTH SERVICES UNION
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

	2016 \$	2015 \$
6. Non-current Assets (cont.)		
(b) Plant & Equipment		
Plant & Equipment:		
At cost	626,705	579,958
Accumulated depreciation	<u>(541,339)</u>	<u>(507,350)</u>
Total Plant & Equipment	<u>85,366</u>	<u>72,608</u>
Reconciliation of the opening and closing balances of plant & equipment:		
Balance at beginning of year:	72,608	65,013
Additions	46,747	33,849
Disposals	-	-
Depreciation expense	(33,989)	(26,254)
Profit/(Loss) on disposal	-	-
Balance at end of year	<u>85,366</u>	<u>72,608</u>
(c) Furniture & Fittings		
Furniture & Fittings:		
At cost	139,424	139,424
Accumulated depreciation	<u>(112,314)</u>	<u>(106,260)</u>
Total furniture & fittings	<u>27,110</u>	<u>33,164</u>
Reconciliation of the opening and closing balances of furniture & fittings:		
Balance at beginning of year:	33,164	36,442
Additions	-	2,989
Disposals	-	-
Depreciation expense	(6,054)	(6,267)
Profit/(Loss) on disposal	-	-
Balance at end of year	<u>27,110</u>	<u>33,164</u>
(d) Motor vehicles		
Motor Vehicles:		
At cost	324,627	351,211
Accumulated depreciation	<u>(148,225)</u>	<u>(177,043)</u>
Total motor vehicles	<u>176,402</u>	<u>174,168</u>
Reconciliation of the opening and closing balances of motor vehicles:		
Balance at beginning of year:	174,168	220,424
Additions	87,161	32,844
Disposals	(37,924)	(19,546)
Depreciation expense	(42,937)	(62,241)
Profit/(Loss) on disposal	<u>(4,066)</u>	<u>2,687</u>
Balance at end of year	<u>176,402</u>	<u>174,168</u>

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

	2016	2015
	\$	\$
6. Non-current Assets (cont.)		
(e) Intangibles		
Computer software at cost:		
Internally developed	-	-
Purchased	195,653	195,653
Accumulated amortisation	<u>(153,146)</u>	<u>(142,482)</u>
Total intangibles	<u>42,507</u>	<u>53,171</u>
 Reconciliation of the opening and closing balances of intangibles:		
Balance at beginning of year:	53,171	66,462
Additions	-	-
Disposals	-	-
Depreciation expense	(10,664)	(13,291)
Profit/(Loss) on disposal	-	-
Balance at end of year	<u>42,507</u>	<u>53,171</u>
 7. Current liabilities		
(a) Trade payables		
Trade creditors and accruals	<u>-</u>	<u>-</u>
Subtotal trade creditors	<u>-</u>	<u>-</u>
 Payables to other reporting unit(s)		
HACSU (VIC No.2 Branch)	-	-
HSU National Office	<u>-</u>	<u>-</u>
Subtotal payables to other reporting unit(s)	<u>-</u>	<u>-</u>
Total trade creditors	<u>-</u>	<u>-</u>
 (b) Other payables		
Wages and salaries	31,942	16,920
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	61,963	66,348
Other	<u>53,256</u>	<u>42,221</u>
Total other payables	<u>147,161</u>	<u>125,489</u>
 Total other payables are expected to be settled in:		
No more than 12 months	147,161	125,489
More than 12 months	-	-
Total other payables	<u>147,161</u>	<u>125,489</u>

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

	2016 \$	2015 \$	
8. Provisions			
(a) Employee provisions			
Office holders:			
Annual leave	65,705	65,787	
Long service leave	28,225	38,535	
Separation and redundancies	-	-	
Other	-	-	
Subtotal employee provision - office holders	93,930	104,322	
Employees other than office holders:			
Annual leave	137,541	143,360	
Long service leave	168,530	150,950	
Separation and redundancies	-	-	
Other	-	-	
Subtotal employee provision - other than office holders	306,071	294,310	
Total employee provisions	400,001	398,632	
(b) Employee provisions due			
Current	285,033	329,594	
Non-current	114,968	69,038	
Total employee provisions	400,001	398,632	
	Annual leave	Long- service leave	Total
Movement in the carrying amount of provisions			
Opening balance	209,147	189,485	398,632
Additional provisions made in the period	179,703	41,656	221,359
Amounts used during the period	(185,604)	(34,386)	(219,990)
Unused amounts reversed during the period	-	-	-
Closing balance	203,246	196,755	400,001
9. Non-current Liabilities			
Other non-current liabilities			
Other	-	-	
Total other non-current liabilities	-	-	
10. Equity			
Retained earnings			
Balance at start of year	2,964,546	2,783,258	
Profit for the year	236,953	181,288	
Balance at the end of the year	3,201,499	2,964,546	
Asset revaluation reserve			
Balance at start of year	444,389	444,389	
Increases to the revaluation reserve	73,833	-	
Decreases to the revaluation reserve	-	-	
Balance at end of year	518,222	444,389	
Total equity	3,719,721	3,408,935	

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

	2016	2015
	\$	\$
11. Cash Flow		
(a) Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:		
Cash and cash equivalents as per:		
Cash flow statement	1,527,536	1,128,688
Balance sheet	<u>1,527,536</u>	<u>1,128,688</u>
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	236,953	181,288
Adjustments for non cash items:		
Depreciation/amortisation	93,644	108,053
(Gain)/loss on disposal of assets	14,640	(2,687)
Changes in assets/liabilities:		
(Increase)/decrease in net receivables	(12,806)	(35,938)
(Increase)/decrease in prepayments/inventory	9,853	1,155
Increase/(decrease) in net supplier payables	6,833	2,518
Increase/(decrease) in employee provisions	<u>16,392</u>	<u>71,072</u>
Net cash from (used by) operating activities	<u>365,509</u>	<u>325,461</u>
(b) Cash flow information - other reporting units		
Cash inflows		
National Office reimbursement - wages	-	-
National Office reimbursement	11,285	2,331
National Exec reimbursement	7,567	6,126
HACSU Vic #2 - TUEF Education project 2013	-	15,000
Other	<u>-</u>	<u>-</u>
Total cash inflows - other reporting units	<u>18,852</u>	<u>23,457</u>
Cash outflows		
National Office - capitation fees	176,835	175,279
Other	<u>-</u>	<u>-</u>
Total cash outflows - other reporting units	<u>176,835</u>	<u>175,279</u>

12. Related Party Disclosures

(a) Related party transactions for the reporting period:

71 Elphin Road Pty Ltd

The union entered into the following transactions with 71 Elphin Road Pty Ltd of which Timothy Jacobson and Christopher Webb are the sole directors and shareholders. These committee members are involved in this company for the benefit of the union and its members.

	2016	2015
	\$	\$
Management fees are received from 71 Elphin Road Pty Ltd for management of rental properties.	35,404	33,298
Expenses of these properties are offset against income of those properties.	42,172	40,743

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

12. Related Party Disclosures (cont.)

(b) Key management personnel remuneration for the reporting period

	Timothy Jacobson	Robert Moore	Judy Richmond	Christopher Webb	Total
2016 Financial Year					
Short-term employee benefits:					
Salary (including leave entitlements taken)	129,167	94,672	-	5,535	229,374
Annual leave accrued	(3,474)	2,967	-	425	(82)
Performance bonus	-	-	-	-	-
Other employee expenses	600	-	4,550	600	5,750
Total short-term employee benefits	126,293	97,639	4,550	6,561	235,042
Post-employment benefits:					
Superannuation	30,375	23,262	-	120	53,757
Total post-employment benefits	30,375	23,262	-	120	53,757
Other long-term benefits:					
Long service leave	(6,096)	(4,353)	-	138	(10,310)
Total other long-term benefits	(6,096)	(4,353)	-	138	(10,310)
Termination benefits					
Total benefits	150,572	116,547	4,550	6,819	278,489
Non-cash benefits					
Private use of motor vehicle	12,322	2,174	-	-	14,496
Total non-cash benefits	12,322	2,174	-	-	14,496
2015 Financial Year					
Short-term employee benefits:					
Salary (including leave entitlements taken)	119,894	93,203	-	2,804	215,901
Annual leave accrued	(935)	7,059	-	213	6,337
Performance bonus	-	-	-	-	-
Other employee expenses	595	-	600	600	1,795
Total short-term employee benefits	119,555	100,262	600	3,616	224,033
Post-employment benefits:					
Superannuation	27,238	21,219	-	58	48,514
Total post-employment benefits	27,238	21,219	-	58	48,514
Other long-term benefits:					
Long service leave	3,244	2,841	-	69	6,154
Total other long-term benefits	3,244	2,841	-	69	6,154
Termination benefits					
Total benefits	150,036	124,322	600	3,742	278,701
Non-cash benefits					
Private use of motor vehicle	8,148	1,737	-	-	9,885
Total non-cash benefits	8,148	1,737	-	-	9,885

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

15. Financial instruments

The union's financial instruments consist entirely of deposits with banks, receivables and payables. The totals for each category of financial instruments, as detailed in the accounting policies to these financial statements, are as follows:

	2016 \$	2015 \$
Financial assets		
Cash and cash equivalents	1,527,536	1,128,688
Accounts receivable and other debtors	14,304	1,497
Total financial assets	1,541,840	1,130,185
 Financial liabilities		
Accounts payable and other payables	147,161	125,489
Total financial liabilities	147,161	125,489

Financial risk management policies

The committee is responsible for, among other issues, monitoring and managing financial risk exposures of the union branch. The committee monitors the union's transactions and reviews the effectiveness of controls relating to credit risk, liquidity risk and market risk. Discussions on monitoring and managing financial risk exposures are held monthly and minuted by the committee of management.

The committee's overall risk management strategy seeks to ensure that the union branch meets its financial targets, while minimising potential adverse effects of cash flow shortfalls.

Specific financial risk exposures and management

The main risks the association is exposed to through its financial instruments are credit risk, liquidity risk, and market risk relating to interest rate risk and other price risk. There have been no substantive changes in the types of risks the union is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

(a) Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the union.

Credit risk is managed through maintaining procedures (such as the utilisation of systems for the approval, granting and removal of credit limits, regular monitoring of exposure against such limits and monitoring of the financial stability of significant customers and counterparties) ensuring, to the extent possible, that members and counterparties to transactions are of sound credit worthiness.

Risk is also minimised through investing surplus funds in financial institutions that maintain a high credit rating or in entities that the committee has otherwise assessed as being financially sound.

Credit risk exposure

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying amount and classification of those financial assets (net of any provisions) as presented in the statement of financial position

There is no collateral held by the association securing accounts receivable and other debtors.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality.

The association has no significant concentrations of credit risk with any single counterparty or group of counterparties.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

15. Financial instruments (cont.)

(b) Liquidity risk

Liquidity risk arises from the possibility that the association might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The association manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- only investing surplus cash with major financial institutions; and
- proactively monitoring the recovery of unpaid dues.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The association does not hold directly any derivative financial liabilities.

	Within 1 Year	1 to 5 Years	Over 5 Years	Total
Financial liability due for payment				
Trade and other payable (excluding annual leave)	147,161	-	-	147,161
Total contractual outflows	147,161	-	-	147,161
Total expected outflows	147,161	-	-	147,161
Financial assets - cash flows realisable				
Cash on hand	1,527,536	-	-	1,527,536
Accounts receivable and other debtors	14,304	-	-	14,304
Total anticipated inflows	1,541,840	-	-	1,541,840
Net (outflow)/inflow on financial instruments	1,394,679	-	-	1,394,679

Financial assets pledged as collateral

No financial assets have been pledged as security for any financial liability.

(c) Market risk

(i) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments.

(ii) Other price risk

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held.

The union has very little exposure to Market Risks; all financial assets and liabilities are expected to be settled at their disclosed values within the next 12 months.

Fair value estimates

All financial assets and financial liabilities as presented in the statement of financial position at their fair value.

**HEALTH SERVICES UNION
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 30 JUNE 2016**

16. Fair Value Measurements

The union measures and recognises the following assets at fair value on a recurring basis after initial recognition:

- Land & buildings

The union does not subsequently measure any liabilities at fair value on a recurring basis, or any assets or liabilities at fair value on a non-recurring basis

(a) Fair value hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information according to the relevant level in the fair value hierarchy. This hierarchy categorises fair value measurements into one of three possible levels based on the lowest level that a significant input can be categorised into. The levels are outlined below:

<p style="text-align: center;">Level 1</p> <p>Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.</p>	<p style="text-align: center;">Level 2</p> <p>Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.</p>	<p style="text-align: center;">Level 3</p> <p>Measurements based on unobservable inputs for the asset or liability.</p>
---	---	--

The fair value of assets and liabilities that are not traded in an active market is determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Valuation techniques

The association selects valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the association are consistent with one or more of the following valuation approaches:

- Market approach: uses prices and other relevant information generated by market transactions involving identical or similar assets or liabilities.
- Income approach: converts estimated future cash flows or income and expenses into a single current (i.e. discounted) value.
- Cost approach: reflects the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the association gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability are considered observable, whereas inputs for which market data are not available and therefore are developed using the best information available about such assumptions are considered

The following tables provide the fair values of the association's assets measured and recognised on a recurring basis after initial recognition, categorised within the fair value hierarchy.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2016				
Recurring fair value measurements				
Land & buildings	-	2,160,905	-	2,160,905
Total assets recognised at fair value	-	2,160,905	-	2,160,905
2015				
Recurring fair value measurements				
Land & buildings	-	2,226,971	-	2,226,971
Total assets recognised at fair value	-	2,226,971	-	2,226,971

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2015: no transfers)

(b) Disclosed fair value measurements

There has been no changes in the valuation technique(s) used to calculate the fair values disclosed in the financial statements.



CAMERONS

INDEPENDENT AUDIT REPORT TO THE MEMBERS OF HEALTH SERVICES UNION (TASMANIA BRANCH)

Report on the Financial Report

We have audited the accompanying financial report of Health Services Union (Tasmania Branch), which comprises the statement of financial position as at 30 June 2016, the statement of comprehensive income, statement of changes in equity, statement of cash flows and recovery of wages activity for the year then ended, notes comprising a summary of significant accounting policies, other explanatory information, the operating statement and committee of management statement.

Committee's Responsibility for the Financial Report

The Committee is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion the financial report, which has been appropriately prepared using the Going Concern basis of accounting presents fairly, in all material respects, the financial position of Health Services Union (Tasmania Branch) as at 30 June 2016, and (of) its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Report on Other Legal and Regulatory Requirements

Our audit encompassed the audit of wages recovery activity of the Health Services Union (Tasmania Branch) for the year ended 30 June 2016 and in our opinion the general purpose financial report on the recovery of wages activity presents fairly in accordance with the requirements of the Industrial Registrar.

GREGORY HARPER
Registered Company Auditor
ASIC Registration #: 337294

CAMERONS
46 Cameron Street
LAUNCESTON TAS 7250
Dated: 28th July 2016

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Fax: 03 6425 5089

AUDITOR'S SIGNATURE



7 December 2016

Mr Timothy Jacobson
Branch Secretary
Health Services Union-Tasmania Branch

Sent via email: tim@hacsutas.net.au

Dear Mr Jacobson,

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-Tasmania 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.

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 Timothy Jacobson
Tasmania Branch Secretary
Health Services Union-Tasmania Branch
By email: tim@hacsutas.net.au

Dear Mr Jacobson,

**Re: Lodgement of Financial Report - [FR2016/153]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Health Services Union-Tasmania 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,

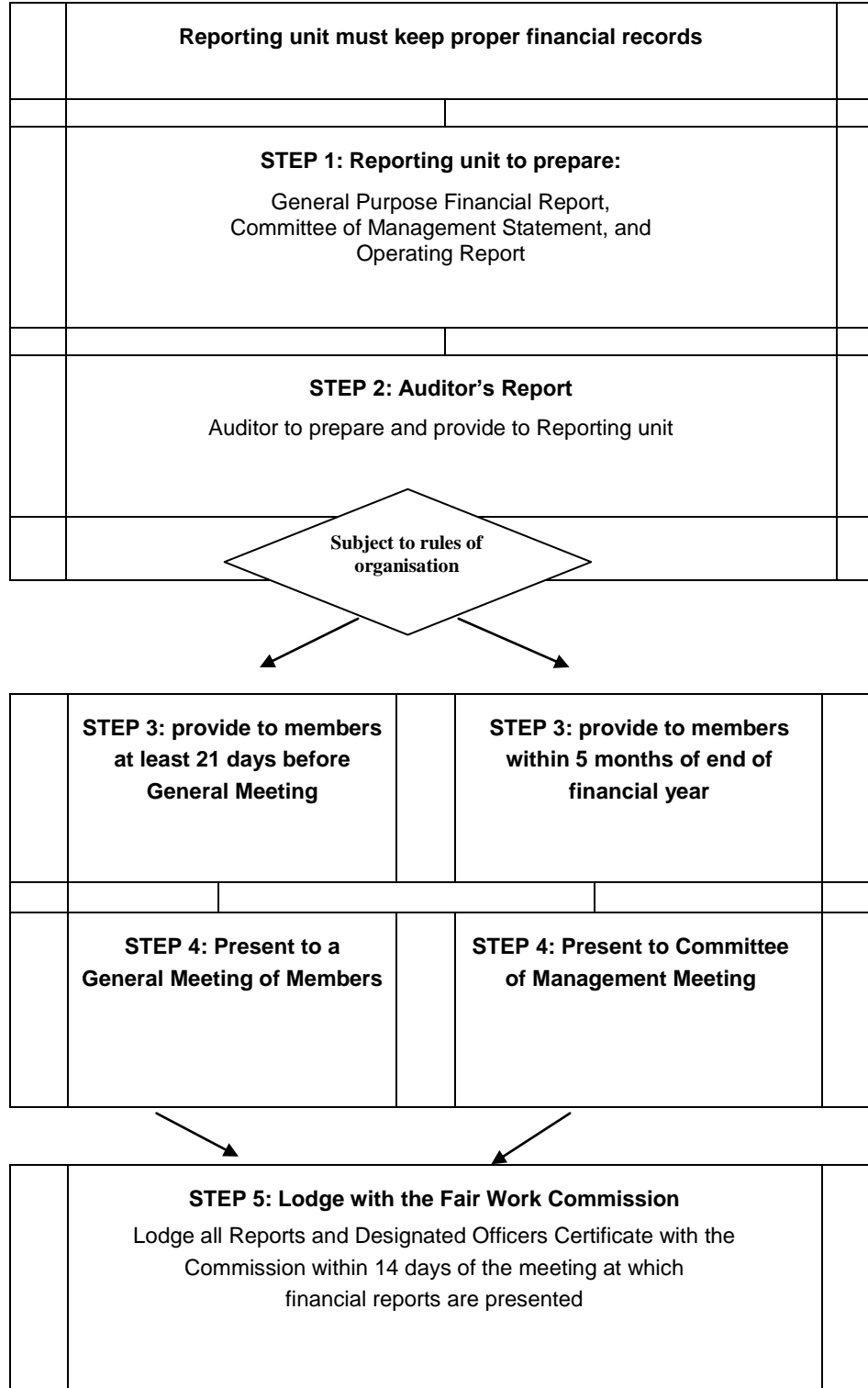


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

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