



19 October 2017

Mr Tim Jacobson  
Secretary, Tasmania Branch  
Health Services Union

Sent via email: [tim@hacsutas.net.au](mailto:tim@hacsutas.net.au)

Dear Mr Jacobson

**Re: – Health Services Union, Tasmania Branch - financial report for year ending 30 June 2017 (FR2017/103)**

I refer to the financial report for the Tasmania Branch of the Health Services Union which was lodged on 20 September 2017. A dated copy of the Auditor's report was received today.

The financial report has been filed. You are not required to take any further action in respect of the report lodged, however I make the following comments to assist when preparing the next report.

Activities under Reporting Guidelines (RG) not disclosed

Items 13<sup>1</sup> and 23<sup>1</sup> of the reporting guidelines state that if the activities identified in items 12 or 22<sup>1</sup> respectively have not occurred in the reporting period, a statement to this effect must be included in the notes to the GPFR. I note that for the following RG items no such disclosure was made:

- 12 – acquisition of an asset or liability due to an amalgamation under Part 2 of Chapter 3, a restructure of the branches of an organisation, a determination or revocation by the General Manager
- 22(a) - name and balance of any fund or account operated for compulsory levies or voluntary contributions
- 22(c) – name and balance of any fund or account (other than the general fund) operated as required by the rules of the organisation or branch
- 22(d) - details of any transfer from or withdrawal to a fund, account or controlled entity kept for a special purpose

Notice setting out sections 272(1), (2) & (3)

The Notice set out in Note 14 contained references to “the general manager of Fair Work Australia” and a typographical or clerical error in sub-section (1). The Notice in next year's report should replicate the sub-sections as they are worded in the current version of the Act, including reference to “the Commissioner”.

**Reporting Requirements**

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

---

<sup>1</sup> Note that item numbers will be changed in the new Reporting Guidelines.

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

If you have any queries regarding this letter, please contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett  
Financial Reporting  
Registered Organisations Commission

**From:** Ellita Oost [<mailto:ellita.oost@hacsutas.net.au>]  
**Sent:** Wednesday, 20 September 2017 11:54 AM  
**To:** ROC - Registered Org Commission  
**Subject:** HPRM: ON CMS FR2017/103 Health Services Union of Australia (Tasmania Branch) - 2017 Financial Statements Lodged

To The General Manager,

Please find attached the Health Services Union of Australia (Tasmanian Branch) 2017 Financial Statements.

Kind regards,

**Ellita Oost | Administration Manager**

p 1300 880 032 f 03 6228 0258

e [ellita.oost@hacsutas.net.au](mailto:ellita.oost@hacsutas.net.au) w [www.hacsutas.asn.au](http://www.hacsutas.asn.au)

I'm **saving our weekend**  
by supporting weekend penalty rates

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

This message and any attachments are for the intended recipient and may contain confidential or privileged information. Only the intended recipient may access, use, copy or deliver it. If you have received this email in error, please reply to us immediately and delete the email and any attachments. Please advise immediately if you or your employer do not consent to the use of email for messages of this kind. Protecting your personal information is important to us. Our [privacy statement](#) can be found on our website and explains how we collect, use, share and hold your personal information.



2017 Audited  
Financial Statement -

The General Manager  
Registered Organisations Commission  
GPO Box 2983  
**MELBOURNE VIC 3001**

Dear Sir

**FINANCIAL RETURNS FOR 2016/2017**

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 2016/2017
- Designated Officer's Certificate;

for the Health Services Union, Tasmania Branch.

Yours sincerely



Tim Jacobson  
**STATE SECRETARY**

19 September 2017

**Health Services Union, Tasmania Branch**

*s.268 Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

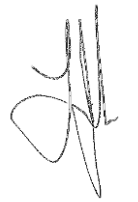
Certificate for the period ended 30 June 2017

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 2017 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 7 September 2017 ; and;
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 13 September 2017 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:

19/9/2017

# FINANCIAL REPORT

## FOR THE YEAR ENDED 30 JUNE 2017

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2017**

**CONTENTS**

Operating Statement	1
Committee of Management Statement	5
Statement of Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Cash Flow Statement	10
Recovery of Wages Activity	11
Notes To and Forming Part of the Financial Statements	12
Audit Report	33

## ***Health Services Union, Tasmania Branch***

### **OPERATING REPORT**

#### ***For the period ended 30 June 2017***

The committee presents its report on the reporting unit for the financial year ended 30 June 2017.

#### **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 \$206,994 during the financial year.

#### **INCOME**

Total income was down by \$61,392 on the previous financial year.



Membership subscriptions decreased by \$35,050 compared to the previous financial year which results from a slight decline in membership but also resulting from a decision not to increase membership subscription rates in the 2016-17 financial year.

Other revenue was down by \$22,424, this was primarily associated with decreased sponsorship and advertising income, decreased movie ticket sales and decreased income from the holiday homes.

## **EXPENSES**

Overall expenditure of the branch decreased by \$31,433.

Capitation fees were down by \$1,467 on the previous year due to a decrease in Branch membership numbers.

Affiliation fees were up \$35,845 on the previous year due to a full year of affiliation with the Australian Council of Trade Unions.

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

- Legal costs have increased by \$45,387 primarily as a result of defending an application by the ANMF to vary its eligibility rules in the Fair Work Commission.
- Organising Campaign Expenses decreased by \$6,484 due to a reduction of expenditure required to run industrial campaigns during the year.
- Expenditure on Discount Card purchases increased by \$26,837 due to a further increase in popularity and demand.
- Consultancy fees are down \$21,099 directly resulting from the cessation of the contract with the Branches external publications provider which ceased par way through the previous year.
- Inform costs are down by \$28,811 primarily resulting from the publication of the journal being managed "in house".
- Communications costs are down by \$12,333 which results from a significant reduction of internet costs arising from installation of NBN.
- Electricity costs reduced by \$11,114 primarily resulting from the installation of solar power and a new heating system for the Launceston Office.

### **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 2017 was 7,544.

**Number of employees**

As at 30 June 2017, the number of full-time equivalent persons, excluding casuals, who were employees of the Union, was 23.

**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 2016/2017 Financial Year.

Judy Richmond	Branch President	1 Jul 2016 to 30 Jun 2017
Tim Jacobson	Branch Secretary	1 Jul 2016 to 30 Jun 2017
Robbie Moore	Assistant Branch Secretary	1 Jul 2016 to 30 Jun 2017
Chris Webb	Senior Vice President	26 Jul 2016 to 30 Jun 2017
Chris Webb	Junior Vice President	1 Jul 2016 to 14 Jul 2016
Pru Peschar	Junior Vice President	26 Jul 2016 to 30 Jun 2017
Leigh Gorringe	Branch Trustee	1 Jul 2016 to 30 Jun 2017
Peter Moore	Branch Trustee	1 Jul 2016 to 30 Jun 2017
Andrew Challis	COM Member	1 Jul 2016 to 30 Jun 2017
Christine Hansson	COM Member	1 Jul 2016 to 30 Jun 2017
Pru Peschar	COM Member	1 Jul 2016 to 20 Jul 2016
Carolyn Shearer	COM Member	1 Jul 2016 to 30 Jun 2017
Mike Coombs	COM Member	1 Jul 2016 to 30 Jun 2017
Pam Brock	COM Member	1 Jul 2016 to 30 Jun 2017
Marlene McHenry	COM Member	1 Jul 2016 to 30 Jun 2017
Audrey Prosser	COM Member	1 Jul 2016 to 30 Jun 2017
David Thomas	COM Member	26 Jul 2016 to 30 Jun 2017

**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. M. Jacobson', with a small flourish at the end.

**Dated:**

**26 July 2017**

***Health Services Union, Tasmania Branch***

**COMMITTEE OF MANAGEMENT STATEMENT**

*for the period ended 30 June 2017*

On the 26<sup>th</sup> of July 2017 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 2017:

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. M. Jacobson', with a stylized flourish at the end.

**Name of prescribed designated officer:**

Timothy Martin Jacobson

**Title of prescribed designated officer:**

Branch Secretary

**Dated:** 26 July 2017

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>Revenue</b>			
Membership subscriptions		3,640,535	3,675,585
Capitation fees	3(a)	-	-
Levies	3(b)	-	44
Interest	3(c)	27,000	29,565
Rental revenue	3(d)	36,399	36,237
Grants & donations	3(e)	-	-
Other revenue	3(g)	677,848	700,272
<b>Total revenue</b>		<b>4,381,782</b>	<b>4,441,703</b>
<b>Other income</b>			
Net gains/(losses) from sale of assets	3(f), 4(j)	(16,111)	(14,640)
<b>Total other income</b>		<b>(16,111)</b>	<b>(14,640)</b>
<b>Total income</b>		<b>4,365,671</b>	<b>4,427,063</b>
<b>Expenses</b>			
Employee expenses	4(a)	2,283,029	2,262,596
Capitation fees	4(b)	175,368	176,835
Affiliation fees	4(c)	117,716	81,871
Administration expenses	4(d)	374,683	432,011
Grants & donations	4(e)	-	40,000
Depreciation, amortisation & impairment	4(f), 4(i)	97,819	93,644
Finance costs	4(g)	-	-
Legal costs	4(h)	94,531	49,144
Audit fees	13	14,250	14,200
Other expenses	4(k)	1,001,281	1,039,809
<b>Total expenses</b>		<b>4,158,677</b>	<b>4,190,110</b>
<b>Profit/(loss) for the year</b>		<b>206,994</b>	<b>236,953</b>
<b>Other comprehensive income</b>			
Items that will not be subsequently reclassified to profit or loss		-	-
Gain on revaluation of land & buildings		-	73,833
<b>Total comprehensive income for the year</b>		<b>206,994</b>	<b>310,786</b>

This report should be read in conjunction with the notes

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash & cash equivalents	5(a)	1,815,948	1,527,536
Trade & other receivables	5(b)	5,459	14,304
Other current assets	5(c)	174,621	232,753
<b>Total current assets</b>		<b>1,996,028</b>	<b>1,774,593</b>
<b>Non-current assets</b>			
Land & buildings	6(a)	2,160,905	2,160,905
Plant & equipment	6(b)	103,634	85,366
Furniture & fittings	6(c)	22,236	27,110
Motor vehicles	6(d)	185,642	176,402
Intangibles	6(e)	39,599	42,507
<b>Total non-current assets</b>		<b>2,512,016</b>	<b>2,492,290</b>
<b>TOTAL ASSETS</b>		<b>4,508,044</b>	<b>4,266,883</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade payables	7(a)	-	-
Other payables	7(b)	170,389	147,161
Employee provisions	8(a)	305,937	285,033
<b>Total current liabilities</b>		<b>476,326</b>	<b>432,194</b>
<b>Non-current liabilities</b>			
Employee provisions	8(a)	105,003	114,968
Other non-current liabilities	9	-	-
<b>Total non-current liabilities</b>		<b>105,003</b>	<b>114,968</b>
<b>TOTAL LIABILITIES</b>		<b>581,329</b>	<b>547,162</b>
<b>NET ASSETS</b>		<b>3,926,715</b>	<b>3,719,721</b>
<b>EQUITY</b>			
Asset revaluation reserve	10	518,222	518,222
Retained earnings/(accumulated deficit)	10	3,408,493	3,201,499
<b>TOTAL EQUITY</b>		<b>3,926,715</b>	<b>3,719,721</b>

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 2017**

	NOTE	Retained Earnings \$	Asset Revaluation Reserve \$	Total Equity \$
<b>Balance as at 1 July 2015</b>		<b>2,964,546</b>	<b>444,389</b>	<b>3,408,935</b>
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		-	-	-
<b>Closing balance as at 30 June 2016</b>		<b>3,201,499</b>	<b>518,222</b>	<b>3,719,721</b>
Adjustment for errors		-	-	-
Adjustment for changes in accounting policies		-	-	-
Profit for the year		206,994	-	206,994
Other comprehensive income for the year		-	-	-
Transfers (to)/from reserves		-	-	-
Transfers from retained earnings		-	-	-
<b>Closing balance as at 30 June 2017</b>	<b>10</b>	<b>3,408,493</b>	<b>518,222</b>	<b>3,926,715</b>

This report should be read in conjunction with the notes



**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	2017 \$	2016 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Membership subscriptions		4,053,975	4,058,561
Receipts from other reporting units/controlled entity(s)	11(b)	12,521	18,852
Interest received		27,000	29,565
Other		660,647	682,253
<b>Cash paid</b>			
Employees		(2,389,321)	(2,365,136)
Suppliers		(1,767,386)	(1,881,751)
Payments to other reporting units/controlled entity(s)	11(b)	(175,368)	(176,835)
<b>Net cash from/(used in) operating activities</b>	<b>11(a)</b>	<b>422,068</b>	<b>365,509</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant & equipment		25,001	37,923
Proceeds from sale of land & buildings		-	139,366
Other		-	-
<b>Cash paid</b>			
Purchase of plant & equipment		(158,657)	(133,908)
Purchase of land & buildings		-	(10,042)
Other		-	-
<b>Net cash from/(used in) investing activities</b>		<b>(133,656)</b>	<b>33,339</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed entity		-	-
Other		-	-
<b>Cash paid</b>			
Repayment of borrowings		-	-
Other		-	-
<b>Net cash from/(used in) investing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>		<b>288,412</b>	<b>398,848</b>
Cash and cash equivalents at the beginning of the reporting period		1,527,536	1,128,688
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>5(a)</b>	<b>1,815,948</b>	<b>1,527,536</b>

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 2017**

	NOTE	2017 \$	2016 \$
<b>Cash assets in respect of recovered money at beginning of year</b>		-	-
<b>Receipts</b>			
Amounts recovered from employers in respect of wages etc.		-	-
Interest received on recovered money		-	-
		<hr/>	<hr/>
<b>Total receipts</b>		-	-
<b>Payments</b>			
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/>
<b>Total payments</b>		-	-
		<hr/>	<hr/>
<b>Cash asset's in respect of recovered money at end of year</b>		-	-
		<hr/>	<hr/>
Number of workers to which the monies recovered relates		-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>			
Payable balance		-	-
Number of workers the payable relates to		-	-
<b>Fund or account operated for recovery of wages</b>		-	-

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

**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 2017**

**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 2017**

**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

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 2017**

**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

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

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 2017**

**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 2017**

**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

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

	<b>2017</b>	<b>2016</b>
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:

	<b>2017</b>	<b>2016</b>
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 2017**

**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 2017**

**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

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 2017, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Health Services Union (Tasmania Branch).

	2017 \$	2016 \$
<b>3. Revenues</b>		
<b>(a) Capitation fees</b>		
Capitation fees	-	-
<b>Total capitation fees</b>	-	-
<b>(b) Levies</b>		
Ambulance Tasmania Professional Rates Hearing Levy	-	44
<b>Total levies</b>	-	44
<b>(c) Interest</b>		
Bank accounts and deposits	27,000	29,565
<b>Total interest</b>	27,000	29,565

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

	2017	2016
	\$	\$
<b>3. Revenues (cont.)</b>		
<b>(d) Rental revenue</b>		
Properties	36,399	36,237
<b>Total rent received</b>	<u>36,399</u>	<u>36,237</u>
<b>(e) Grants &amp; donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants &amp; donations</b>	<u>-</u>	<u>-</u>
<b>(f) Net gain on sale from assets</b>		
Plant & Equipment	-	-
<b>Total net gain on sale of assets</b>	<u>-</u>	<u>-</u>
<b>(g) Other revenue</b>		
Management fees	30,555	35,404
Movie ticket sales	112,645	127,582
Discount card sales	509,628	482,790
Merchandise - promotional	777	268
Sundry:		
National Office reimbursement	3,775	4,176
National Exec reimbursement	7,346	7,567
Worker's compensation reimbursement	-	14,884
Sponsorship and advertising income	3,500	15,873
Other	9,622	11,728
<b>Total Revenue</b>	<u>677,848</u>	<u>700,272</u>
<b>4. Expenses</b>		
<b>(a) Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	236,397	229,374
Superannuation	53,810	53,757
Leave and other entitlements	(6,195)	(10,393)
Separation and redundancies	-	-
Other employee expenses	3,750	5,750
<b>Subtotal employee expenses - holders of office</b>	<u>287,762</u>	<u>278,489</u>

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	\$	\$
<b>4. Expenses (cont.)</b>		
<b>(a) Employee expenses (cont.)</b>		
<b>Employees other than office holders:</b>		
Wages and salaries	1,667,422	1,671,810
Superannuation	295,942	285,593
Leave and other entitlements	17,134	11,762
Separation and redundancies	-	-
Other employee expenses	14,769	14,943
<b>Subtotal employee expenses - employees other than holders of office</b>	<b>1,995,267</b>	<b>1,984,107</b>
<b>Total employee expense</b>	<b>2,283,029</b>	<b>2,262,596</b>
<b>(b) Capitation fees</b>		
National Office	175,368	176,835
<b>Total capitation fees</b>	<b>175,368</b>	<b>176,835</b>
<b>(c) Affiliation fees</b>		
ALP	27,125	26,564
APHEDA	-	273
Unions Tasmania	44,858	43,982
TasCOSS	818	227
ACTU	44,915	10,825
<b>Total affiliation fees</b>	<b>117,716</b>	<b>81,871</b>
<b>(d) Administration expenses</b>		
Consideration to employers for payroll deductions	1,958	2,174
Compulsory levies	-	-
Fees/allowances - meeting and conferences	551	780
Conference and meeting expenses	76,532	60,311
Contractors/consultants	4,355	25,455
Property expenses	100,994	131,897
Office expenses	61,013	59,514
Information communications technology	129,280	151,880
<b>Total administration expenses</b>	<b>374,683</b>	<b>432,011</b>
<b>(e) Grants &amp; donations</b>		
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
<b>Total grants or donations</b>	<b>-</b>	<b>40,000</b>

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>4. Expenses (cont.)</b>		
<b>(f) Depreciation &amp; amortisation</b>		
<b>Depreciation:</b>		
Land & buildings	-	-
Plant & equipment	30,170	33,989
Office furniture	4,741	6,054
Motor vehicles	54,116	42,937
<b>Total depreciation</b>	<b>89,027</b>	<b>82,980</b>
<b>Amortisation:</b>		
Information systems	8,792	10,664
<b>Total amortisation</b>	<b>8,792</b>	<b>10,664</b>
<b>Total depreciation &amp; amortisation</b>	<b>97,819</b>	<b>93,644</b>
<b>(g) Finance costs</b>		
Overdrafts/loans	-	-
<b>Total finance costs</b>	<b>-</b>	<b>-</b>
<b>(h) Legal costs</b>		
Litigation	-	-
Other legal matters	94,531	49,144
<b>Total legal costs</b>	<b>94,531</b>	<b>49,144</b>
<b>(i) Write-down &amp; impairment of assets</b>		
Asset write-downs and impairments of:		
Land & buildings	-	-
Plant & equipment	-	-
Intangible assets	-	-
Other	-	-
<b>Total write down and impairment of assets</b>	<b>-</b>	<b>-</b>
<b>(j) Net losses from sale of assets</b>		
Land & buildings	-	10,574
Plant & equipment	-	-
Motor vehicles	16,111	4,066
Intangibles	-	-
<b>Total net losses from asset sales</b>	<b>16,111</b>	<b>14,640</b>
<b>(k) Other expenses</b>		
Insurances	75,134	91,357
INFORM member magazine	11,676	40,487
Staff training	18,512	12,690
Delegate training	2,342	2,665
Movie ticket purchases	112,762	126,347
Discount card purchases	509,766	483,041
Other expenses	271,089	283,222
Penalties (via RO Act or RO Regulations)	-	-
<b>Total other expenses</b>	<b>1,001,281</b>	<b>1,039,809</b>

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>5. Current Assets</b>		
<b>(a) Cash &amp; cash equivalents</b>		
Cash at bank	235,905	52,926
Cash on hand	500	500
Deposits at call	1,579,543	1,474,110
<b>Total cash and cash equivalents</b>	<b>1,815,948</b>	<b>1,527,536</b>
<b>(b) Trade &amp; other receivables</b>		
<b>Receivables from other reporting unit(s):</b>		
HACSU (VIC No.2 Branch)	-	-
HSU National Office	3,257	339
<b>Total receivables from other reporting unit(s)</b>	<b>3,257</b>	<b>339</b>
<b>less provision for doubtful debts</b>		
HACSU (VIC No.2 Branch)	-	-
HSU National Office	-	-
<b>Total provision for doubtful debts</b>	<b>-</b>	<b>-</b>
<b>Net receivable from other reporting units</b>	<b>3,257</b>	<b>339</b>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	-	-
Membership fees in arrears	79	787
Other trade receivables	2,123	13,178
<b>Total other receivables</b>	<b>2,202</b>	<b>13,965</b>
<b>Total trade and other receivables (net)</b>	<b>5,459</b>	<b>14,304</b>
<b>(c) Other current assets</b>		
Inventory (movie tickets and discount cards)	168,126	161,450
Prepayments	6,495	71,303
<b>Total other current assets</b>	<b>174,621</b>	<b>232,753</b>
<b>6. Non-current Assets</b>		
<b>(a) Land &amp; Buildings</b>		
Land & Buildings:		
Fair value	2,160,905	2,160,905
Accumulated depreciation	-	-
<b>Total Land &amp; Buildings</b>	<b>2,160,905</b>	<b>2,160,905</b>
<b>Reconciliation of the opening and closing balances of land &amp; buildings:</b>		
Balance at beginning of year:	2,160,905	2,226,971
Additions	-	-
Revaluations	-	73,833
Disposals	-	(129,325)
Depreciation expense	-	-
Profit/(Loss) on disposal	-	(10,574)
<b>Balance at end of year</b>	<b>2,160,905</b>	<b>2,160,905</b>

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

	2017	2016
	\$	\$
<b>6. Non-current Assets (cont.)</b>		
<b>(b) Plant &amp; Equipment</b>		
Plant & Equipment:		
At cost	675,143	626,705
Accumulated depreciation	(571,509)	(541,339)
<b>Total Plant &amp; Equipment</b>	<b>103,634</b>	<b>85,366</b>
<b>Reconciliation of the opening and closing balances of plant &amp; equipment:</b>		
Balance at beginning of year:	85,366	72,608
Additions	48,438	46,747
Disposals	-	-
Depreciation expense	(30,170)	(33,989)
Profit/(Loss) on disposal	-	-
<b>Balance at end of year</b>	<b>103,634</b>	<b>85,366</b>
<b>(c) Furniture &amp; Fittings</b>		
Furniture & Fittings		
At cost	139,291	139,424
Accumulated depreciation	(117,055)	(112,314)
<b>Total furniture &amp; fittings</b>	<b>22,236</b>	<b>27,110</b>
<b>Reconciliation of the opening and closing balances of furniture &amp; fittings:</b>		
Balance at beginning of year:	27,110	33,164
Additions	-	-
Disposals	-	-
Depreciation expense	(4,741)	(6,054)
Profit/(Loss) on disposal	(133)	-
<b>Balance at end of year</b>	<b>22,236</b>	<b>27,110</b>
<b>(d) Motor vehicles</b>		
Motor Vehicles		
At cost	387,983	324,627
Accumulated depreciation	(202,341)	(148,225)
<b>Total motor vehicles</b>	<b>185,642</b>	<b>176,402</b>
<b>Reconciliation of the opening and closing balances of motor vehicles:</b>		
Balance at beginning of year:	176,402	174,168
Additions	63,356	87,161
Disposals	-	(37,924)
Depreciation expense	(54,116)	(42,937)
Profit/(Loss) on disposal	(16,111)	(4,066)
<b>Balance at end of year</b>	<b>169,531</b>	<b>176,402</b>

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

	2017	2016
	\$	\$
<b>6. Non-current Assets (cont.)</b>		
<b>(e) Intangibles</b>		
Computer software at cost:		
Internally developed	-	-
Purchased	201,537	195,653
Accumulated amortisation	<u>(161,938)</u>	<u>(153,146)</u>
<b>Total intangibles</b>	<b><u>39,599</u></b>	<b><u>42,507</u></b>
<b>Reconciliation of the opening and closing balances of intangibles:</b>		
Balance at beginning of year:	42,507	53,171
Additions	5,884	-
Disposals	-	-
Depreciation expense	(8,792)	(10,664)
Profit/(Loss) on disposal	-	-
<b>Balance at end of year</b>	<b><u>39,599</u></b>	<b><u>42,507</u></b>
<b>7. Current liabilities</b>		
<b>(a) Trade payables</b>		
Trade creditors and accruals	<u>-</u>	<u>-</u>
<b>Subtotal trade creditors</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Payables to other reporting unit(s)</b>		
HACSU (VIC No.2 Branch)	-	-
HSU National Office	<u>-</u>	<u>-</u>
<b>Subtotal payables to other reporting unit(s)</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Total trade creditors</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>(b) Other payables</b>		
Wages and salaries	41,688	31,942
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	73,888	61,963
Other	<u>54,813</u>	<u>53,256</u>
<b>Total other payables</b>	<b><u>170,389</u></b>	<b><u>147,161</u></b>
<b>Total other payables are expected to be settled in:</b>		
No more than 12 months	170,389	147,161
More than 12 months	<u>-</u>	<u>-</u>
<b>Total other payables</b>	<b><u>170,389</u></b>	<b><u>147,161</u></b>



**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>8. Provisions</b>		
<b>(a) Employee provisions</b>		
<b>Office holders:</b>		
Annual leave	63,138	65,705
Long service leave	34,989	28,225
Separation and redundancies	-	-
Other	-	-
<b>Subtotal employee provision - office holders</b>	<b>98,128</b>	<b>93,930</b>
<b>Employees other than office holders:</b>		
Annual leave	142,100	137,541
Long service leave	170,713	168,530
Separation and redundancies	-	-
Other	-	-
<b>Subtotal employee provision - other than office holders</b>	<b>312,812</b>	<b>306,071</b>
<b>Total employee provisions</b>	<b>410,940</b>	<b>400,001</b>
<b>(b) Employee provisions due</b>		
Current	305,937	285,033
Non-current	105,003	114,968
<b>Total employee provisions</b>	<b>410,940</b>	<b>400,001</b>
	<b>Annual leave</b>	<b>Long-service leave</b>
<b>Movement in the carrying amount of provisions</b>		<b>Total</b>
Opening balance	203,246	196,755
Additional provisions made in the period	182,239	8,947
Amounts used during the period	(180,247)	-
Unused amounts reversed during the period	-	-
<b>Closing balance</b>	<b>205,238</b>	<b>205,702</b>
<b>410,940</b>	<b>205,238</b>	<b>410,940</b>
<b>9. Non-current Liabilities</b>		
<b>Other non-current liabilities</b>		
Other	-	-
<b>Total other non-current liabilities</b>	<b>-</b>	<b>-</b>
<b>10. Equity</b>		
<b>Retained earnings</b>		
Balance at start of year	3,201,499	2,964,546
Profit for the year	206,994	236,953
<b>Balance at the end of the year</b>	<b>3,408,493</b>	<b>3,201,499</b>
<b>Asset revaluation reserve</b>		
Balance at start of year	518,222	444,389
Increases to the revaluation reserve	-	73,833
Decreases to the revaluation reserve	-	-
<b>Balance at end of year</b>	<b>518,222</b>	<b>518,222</b>
<b>Total equity</b>	<b>3,926,715</b>	<b>3,719,721</b>

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>11. Cash Flow</b>		
<b>(a) Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	1,815,948	1,527,536
Balance sheet	1,815,948	1,527,536
<b>Difference</b>	-	-
<b>Reconciliation of profit/(deficit) to net cash from operating activities:</b>		
Profit/(deficit) for the year	206,994	236,953
<b>Adjustments for non cash items:</b>		
Depreciation/amortisation	97,820	93,644
(Gain)/loss on disposal of assets	16,111	14,640
<b>Changes in assets/liabilities:</b>		
(Increase)/decrease in net receivables	8,844	(12,806)
(Increase)/decrease in prepayments/inventory	67,125	9,853
Increase/(decrease) in net supplier payables	14,507	6,833
Increase/(decrease) in employee provisions	10,667	16,392
<b>Net cash from (used by) operating activities</b>	<b>422,068</b>	<b>365,509</b>
<b>(b) Cash flow information - other reporting units</b>		
<b>Cash inflows</b>		
National Office reimbursement - wages	7,346	-
National Office reimbursement	1,400	11,285
National Exec reimbursement	3,776	7,567
HACSU Vic #2 - TUEF Education project 2013	-	-
Other	-	-
<b>Total cash inflows - other reporting units</b>	<b>12,522</b>	<b>18,852</b>
<b>Cash outflows</b>		
National Office - capitation fees	175,368	176,835
Other	-	-
<b>Total cash outflows - other reporting units</b>	<b>175,368</b>	<b>176,835</b>

**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.

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
Management fees are received from 71 Elphin Road Pty Ltd for management of rental properties.	30,525	35,404
Expenses of these properties are offset against income of those properties.	28,133	42,172

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

**12. Related Party Disclosures (cont.)**

**(b) Key management personnel remuneration for the reporting period**

	Timothy Jacobson	Robert Moore	Judy Richmond	Christopher Webb	Total
<b>2017 Financial Year</b>					
<b>Short-term employee benefits:</b>					
Salary (including leave entitlements taken)	124,509	106,242	-	5,646	236,397
Annual leave accrued	(3,734)	189	-	896	(2,649)
Performance bonus	-	-	-	-	-
Other employee expenses	600	-	2,550	600	3,750
<b>Total short-term employee benefits</b>	<b>121,375</b>	<b>106,431</b>	<b>2,550</b>	<b>7,143</b>	<b>237,498</b>
<b>Post-employment benefits:</b>					
Superannuation	28,775	23,796	-	1,239	53,810
<b>Total post-employment benefits</b>	<b>28,775</b>	<b>23,796</b>	<b>-</b>	<b>1,239</b>	<b>53,810</b>
<b>Other long-term benefits:</b>					
Long service leave	(2,688)	(1,150)	-	291	(3,546)
<b>Total other long-term benefits</b>	<b>(2,688)</b>	<b>(1,150)</b>	<b>-</b>	<b>291</b>	<b>(3,546)</b>
<b>Termination benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total benefits</b>	<b>147,462</b>	<b>129,077</b>	<b>2,550</b>	<b>8,673</b>	<b>287,762</b>
<b>Non-cash benefits</b>					
Private use of motor vehicle	13,938	3,361	-	-	17,299
<b>Total non-cash benefits</b>	<b>13,938</b>	<b>3,361</b>	<b>-</b>	<b>-</b>	<b>17,299</b>
	Timothy Jacobson	Robert Moore	Judy Richmond	Christopher Webb	Total
<b>2016 Financial Year</b>					
<b>Short-term employee benefits:</b>					
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
<b>Total short-term employee benefits</b>	<b>126,293</b>	<b>97,639</b>	<b>4,550</b>	<b>6,561</b>	<b>235,042</b>
<b>Post-employment benefits:</b>					
Superannuation	30,375	23,262	-	120	53,757
<b>Total post-employment benefits</b>	<b>30,375</b>	<b>23,262</b>	<b>-</b>	<b>120</b>	<b>53,757</b>
<b>Other long-term benefits:</b>					
Long service leave	(6,096)	(4,353)	-	138	(10,310)
<b>Total other long-term benefits</b>	<b>(6,096)</b>	<b>(4,353)</b>	<b>-</b>	<b>138</b>	<b>(10,310)</b>
<b>Termination benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total benefits</b>	<b>150,572</b>	<b>116,547</b>	<b>4,550</b>	<b>6,819</b>	<b>278,489</b>
<b>Non-cash benefits</b>					
Private use of motor vehicle	12,322	2,174	-	-	14,496
<b>Total non-cash benefits</b>	<b>12,322</b>	<b>2,174</b>	<b>-</b>	<b>-</b>	<b>14,496</b>

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

	2017	2016
	\$	\$

**12. Related Party Disclosures (cont.)**

**(c) Transactions with key management personnel and their close family members**

Loans to/(from) key management personnel	-	-
--	---	---

**Remuneration of close family members of key management personnel**

The wife of Timothy Jacobson, Tammy Munro, is employed by the Health Services Union Tasmania Branch as a Lead Organiser. Timothy Jacobson was not involved in the employment of Tammy Munro.

Tammy Munro		
Salary (including leave entitlements taken)	103,402	100,615
Superannuation	15,835	15,090
<b>Total employee benefits</b>	<b>119,237</b>	<b>115,705</b>

Amounts are included within the totals for 'Employees other than office holders' in Note 4(a)

**13. Auditor remuneration**

<b>Value of the services provided</b>		
Financial statement audit services	13,000	13,000
Other services	1,250	1,200
<b>Total remuneration of auditors</b>	<b>14,250</b>	<b>14,200</b>

**14. Section 272 Fair Work (Registered Organisations) Act 2009**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272 which reads as follows:

Information to be provided to members or the General Manager of Fair Work Australia:

- (1) A member or reporting unit, or the general manager of Fair Work Australia, may apply to the Health Services Union Tasmania Branch for specified prescribed information in relation to the Health Services Union Tasmania Branch to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Health Services Union Tasmania Branch.
- (3) Health Services Union Tasmania Branch must comply with an application made under subsection (1).

**HEALTH SERVICES UNION  
TASMANIA BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDING 30 JUNE 2017**

**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:

	<b>2017</b>	<b>2016</b>
	<b>\$</b>	<b>\$</b>
<b>Financial assets</b>		
Cash and cash equivalents	1,815,948	1,527,536
Accounts receivable and other debtors	5,459	14,304
<b>Total financial assets</b>	<b>1,821,407</b>	<b>1,541,840</b>
 <b>Financial liabilities</b>		
Accounts payable and other payables	170,389	147,161
<b>Total financial liabilities</b>	<b>170,389</b>	<b>147,161</b>

**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 expos*

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 2017**

**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
<b>Financial liability due for payment</b>				
Trade and other payable (excluding annual leave)	170,389	-	-	170,389
<b>Total contractual outflows</b>	<b>170,389</b>	<b>-</b>	<b>-</b>	<b>170,389</b>
<b>Total expected outflows</b>	<b>170,389</b>	<b>-</b>	<b>-</b>	<b>170,389</b>
<b>Financial assets - cash flows realisable</b>				
Cash on hand	1,815,948	-	-	1,815,948
Accounts receivable and other debtors	5,459	-	-	5,459
<b>Total anticipated inflows</b>	<b>1,821,407</b>	<b>-</b>	<b>-</b>	<b>1,821,407</b>
<b>Net (outflow)/inflow on financial instruments</b>	<b>1,651,018</b>	<b>-</b>	<b>-</b>	<b>1,651,018</b>

*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 2017**

**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;"><b>Level 1</b></p> <p>Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access</p>	<p style="text-align: center;"><b>Level 2</b></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</p>	<p style="text-align: center;"><b>Level 3</b></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 \$
<b>2017</b>				
Recurring fair value measurements				
Land & buildings	-	2,160,905	-	2,160,905
<b>Total assets recognised at fair value</b>	-	<b>2,160,905</b>	-	<b>2,160,905</b>
<b>2016</b>				
Recurring fair value measurements				
Land & buildings	-	2,160,905	-	2,160,905
<b>Total assets recognised at fair value</b>	-	<b>2,160,905</b>	-	<b>2,160,905</b>

There were no transfers between Levels 1 and 2 for assets measured at fair value on a recurring basis during the reporting period (2016: 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.



## Independent Audit Report to the Members of Health Services Union Tasmania Branch

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of Health Services Union Tasmania Branch (the Reporting Unit), which comprises the statement of financial position as at 30th June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30th June 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Health Services Union Tasmania Branch as at 30th June 2017, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

#### Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the





Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Reporting Unit or to cease operations, or have no realistic alternative but to do so.

## Auditor's Responsibilities for the Audit of the Financial Report

My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit 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 Reporting Unit's internal control.
  - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
  - Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.
- I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an approved auditor, a member of Institute of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.



**Opinion on the recovery of wages activity financial report**

The scope of my work extended to the recovery of wages activity and I have audited the recovery of wages activity financial report for the year ended 30th June 2017.

In my opinion, the financial statements and notes and recovery of wages activity financial report properly and fairly report all information required by the reporting guidelines of the General Manager, including:

- (a) any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
- (b) any donations or other contributions deducted from recovered money.

**Responsibilities**

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

CAMERONS  
ACCOUNTANTS & ADVISORS

A handwritten signature in black ink, appearing to read 'G. Harper', on a white rectangular background.

GREGORY HARPER  
PRINCIPAL

Date: 24<sup>th</sup> August 2017

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/132