

FR2006/337



15 December 2006

Ref: 06464/lw/mf

Industrial Registrar  
Australian Industrial Registry  
GPO Box 1994S  
MELBOURNE VIC 3001

Dear Sir,

**Re: Designated Officers Certificate – s268 Schedule 1B Workplace Relations Act  
Health Services Union of Australia Victoria No. 2 Branch.  
Financial Statements for Year Ending 30 June 2006**

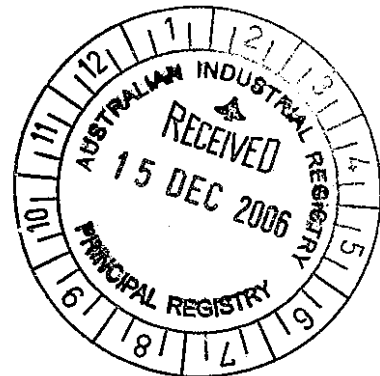
I, Lloyd Williams, being the Branch Secretary of the Health Services Union of Australia, Victoria No. 2 Branch, certify:

1. That the documents lodged herewith are copies of the Full Financial Report and the Concise Financial Report for the year ending 30 June 2006 referred to in s268 of the ROA Schedule; and
2. That these documents were presented to and accepted by our Branch Committee of Management meeting on the 26 September 2006 (*the first meeting*). The Branch Committee of Management at this meeting also determined to distribute a concise report to members; and
3. That the Concise Report was provided to members on the 6 November 2006; and
4. That the full report was presented and accepted to a Meeting of the Branch Committee of Management (*the second meeting*) of the reporting unit on 14 December 2006 in accordance with section 266 (3) of the RAO Schedule.

If you have any queries please do not hesitate to contact me.

Yours sincerely,

**Lloyd Williams  
STATE SECRETARY**



**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2006**

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**OPERATING REPORT**

In accordance with Section 254 of the Registration and Accountability of Organizations (RAO) Schedule, the Committee of Management present their Operating Report on the Health Services Union of Australia, Victorian No. 2 Branch (the Union), the relevant Reporting Unit for the financial year ended 30 June 2006.

**Principal Activities**

The principal activities of the Union during the financial year were industrial and professional interests of mental health and disability workers in the State of Victoria.

**Operating Result**

The operating profit of the Union for the financial year was \$122,528. No provision for tax was necessary as the Union is exempt from income tax.

**Significant change**

No significant changes in the Union's state of affairs occurred during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

**Rights of Members**

A member may resign his membership of the Union by notice in writing if:

- (a) the person ceases to be employed in or in connection with the industry of the Union: or
- (b) the notice is given not less than two weeks before the resignation is to take effect and all dues are paid to the date on which the resignation is to take effect.

Notice in writing of resignation shall be addressed to the Secretary of the Branch and delivered to the Secretary.

**Superannuation Officeholders**

No officer or member of the reporting unit:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

**Other Prescribed Information**

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations:

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the RAO Schedule and who are taken to be members of the Union under section 244 of the RAO Schedule was 6,228.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 15.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**OPERATING REPORT continued**

**Other Prescribed Information continued**

(c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

<b>Name</b>	
Jennifer Evans	President
Denise Guppy	Assistant Branch Secretary
Mandee Oakes	Junior Vice President
Lloyd Williams	Branch Secretary
David Stephens (resigned 7 December 2005)	Assistant Branch Secretary
Brian Addison	Trustee
Diane Welton	Trustee
Natasha Markulev	Senior Vice President
Joanne Petrenko	Committee Member
Mavis Jack	" "
Maree Coughlan	" "
John Murphy	" "
Diane Harpur	" "
Peter McConville (resigned 28 March 2006)	" "
Patrick Nuzum	" "
Bella Anderson (appointed 7 December 2005)	" "
Paul Healy (appointed 28 March 2006)	" "

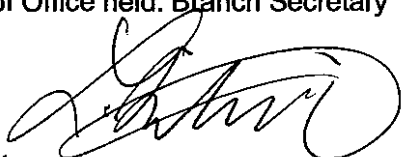
Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Adoption of Australian Equivalents to IFRS**

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the Reporting Unit's financial report has been prepared in accordance with those standards. No adjustments arise on the transition to AIFRS.

Signed in accordance with a resolution of the Committee of Management.

For Committee of Management: Lloyd Williams  
Title of Office held: Branch Secretary

Signature: 

Melbourne: 2 October 2006

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Note</b>	<b>2006 \$</b>	<b>2005 \$</b>
Revenue	4	2,164,838	1,965,604
Administration expense	5	(650,967)	(568,697)
Affiliation and capitation fees	5	(174,696)	(152,835)
Borrowing costs expense	5	(1,754)	(2,456)
Communication expense		(49,482)	(40,175)
Loss on disposal of fixed assets		(1,398)	(10,564)
Depreciation and amortisation expenses	5	(75,471)	(75,493)
Employee benefits expense	5	(988,426)	(884,076)
Occupancy expense		(59,519)	(58,715)
Other expenses		<u>(40,597)</u>	<u>(44,277)</u>
Profit before income tax expense		122,528	128,316
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit attributable to members		<u>122,528</u>	<u>128,316</u>

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**BALANCE SHEET  
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,244,892	1,056,136
Trade and other receivables	7	38,521	16,471
Other current assets	8	<u>75,830</u>	<u>65,310</u>
<b>TOTAL CURRENT ASSETS</b>		<u>1,359,243</u>	<u>1,137,917</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	280,008	298,035
Financial assets	10	<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>280,008</u>	<u>298,035</u>
<b>TOTAL ASSETS</b>		<u>1,639,251</u>	<u>1,435,952</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	11	199,019	114,110
Short term borrowings	12	10,580	9,823
Short term provisions	13	<u>197,618</u>	<u>191,933</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>407,217</u>	<u>315,866</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings	12	<u>7,601</u>	<u>18,181</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>7,601</u>	<u>18,181</u>
<b>TOTAL LIABILITIES</b>		<u>414,818</u>	<u>334,047</u>
<b>NET ASSETS</b>		<u>1,224,433</u>	<u>1,101,905</u>
<b>EQUITY</b>			
Retained profits		<u>1,224,433</u>	<u>1,101,905</u>
<b>TOTAL EQUITY</b>		<u>1,224,433</u>	<u>1,101,905</u>

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Retained earnings general fund</b>	<b>Total</b>
Balance at 30 June 2004	973,589	973,589
Retrospective adjustment upon change in accounting policy	-	-
Profit attributable to members	128,316	128,316
Revaluation increment (decrement)	-	-
	<hr/>	<hr/>
<b>Balance at 30 June 2005</b>	<b>1,101,905</b>	<b>1,101,905</b>
Profit attributable to members	122,528	122,528
Revaluation increment (decrement)	-	-
	<hr/>	<hr/>
<b>Balance at 30 June 2006</b>	<b>1,224,433</b>	<b>1,224,433</b>

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions receipts		2,214,043	2,028,930
Payments to suppliers and employees		(2,082,968)	(1,937,635)
Interest paid		(1,754)	(2,456)
Interest received		60,945	51,023
Other revenue		<u>75,983</u>	<u>85,864</u>
Net cash provided by (used in) operating activities	19b	<u>266,249</u>	<u>225,726</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(77,670)	(161,097)
Proceeds on sale of fixed assets		<u>10,000</u>	<u>43,770</u>
Net cash provided by (used in) investing activities		<u>(67,670)</u>	<u>(117,327)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		<u>(9,823)</u>	<u>(9,121)</u>
Net cash used in financing activities		<u>(9,823)</u>	<u>(9,121)</u>
Net increase/(decrease) in cash held		188,756	99,278
Cash at beginning of year		<u>1,056,136</u>	<u>956,858</u>
Cash at end of year	19a	<u>1,244,892</u>	<u>1,056,136</u>

The accompanying notes form part of these financial statements.



**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS - FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<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	-	-
<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	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

This financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board and the Workplace Relations Act 1996.

The financial report of the Health Services Union Of Australia, Victorian No. 2 Branch complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

The following is a summary of the material accounting policies adopted by the Union in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

**Basis of Preparation**

**First-time Adoption of Australian Equivalents to International Financial Reporting Standards**

Health Services Union of Australia Victoria No. 2 Branch has prepared financial statements in accordance with the Australian equivalents to International Financial Reporting Standards (AIFRS) from 1 July 2005.

In accordance with the requirements of AASB 1: First-time Adoption of Australian Equivalents to International Financial Reporting Standards, adjustments resulting from the introduction of AIFRS are being applied retrospectively to 2005 comparative figures excluding cases where optional exemptions available under AASB 1 have been applied. These accounts are the first financial statements of Health Services Union of Australia Victorian No. 2 Branch to be prepared in accordance with AIFRS.

The accounting policies set out below have been consistently applied to all years presented. The Union has however elected to adopt the exemptions available under AASB 1 relating to AASB 132: Financial Instruments: Disclosure and Presentation, and AASB 139: Financial Instruments: Recognition and Measurement.

Reconciliation of the transition from previous Australian GAAP to AIFRS have been included in Note 2 to this report.

**Reporting Basis and Conventions**

The financial report has been prepared on an accruals basis and is based on historical costs modified by the revaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

**Accounting Policies**

a. **Income Tax**

No provision for income tax is necessary as "Trade Unions" are exempt from income tax under Section 50 -15 of the Income Tax Assessment Act 1997.

b. **Property, Plant and Equipment**

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

Leasehold improvements and plant and equipment are measured on the cost basis.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

The carrying amount of leasehold improvements and plant and equipment is reviewed annually by the committee of management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

**Depreciation**

The depreciable amount of all fixed assets are depreciated on a reducing balance basis over the useful lives of the assets to the Union commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

<b>Class of Fixed Assets</b>	<b>Depreciation Rate</b>
Leasehold improvements	20%
Plant and equipment	20% - 40%

**c. Leases**

Lease payments under operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

**d. Employee Benefits**

Provision is made for the Union's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the Union to an employee superannuation fund and are charged as expenses when incurred.

**e. Cash and Cash Equivalents**

Cash and cash equivalents includes cash on hand and at call deposits with banks or financial institutions.

**f. Revenue**

Revenue from membership subscriptions is recognised on a cash basis.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

All revenue is stated net of the amount of goods and services tax (GST).

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued**

**g. Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

**h. Comparative Figures**

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

**NOTE 2: FIRST-TIME ADOPTION OF AIFRS**

**Reconciliation of equity reported under Australian Generally Accepted Accounting Principles "AGAAP" to equity under AIFRS**

There are no adjustments to report for reconciliation of equity position reported under AGAAP to equity under AIFRS at the following dates:

- (a) At the date of transition to AIFRS – 1 July 2004
- (b) At the end of the last annual reporting period under AGAAP – 30 June 2005

**Reconciliation of profit reported under AGAAP to profit under AIFRS**

	Previous GAAP \$	Effect of transition to AIFRS \$	AIFRS \$
Revenue	2,009,374	(43,770)	1,965,604
Cost of disposal of fixed assets	(54,334)	54,334	-
Loss on disposal of fixed assets	-	(10,564)	(10,564)
Other expenses	<u>(1,826,724)</u>	<u>-</u>	<u>(1,826,724)</u>
Net Profit attributable to members	<u>128,316</u>	<u>-</u>	<u>128,316</u>

The adoption of AIFRS requires that proceeds on disposal of fixed assets be offset directly against cost of disposal of fixed assets. Accordingly, for 2005 in the Income Statement, Revenues has been reduced by \$43,770, loss on disposal of fixed assets have been increased by \$10,564 and cost of disposal of fixed assets has been reduced by \$54,334.

**Reconciliation of cash flow statement for the year ended 30 June 2005 as reported under AGAAP to cash flows under AIFRS**

The adoption of AIFRS has not resulted in any adjustments to the cash flow statement

**Explanation of changes in accounting policy arising on first-time adoption of AIFRS**

First time adoption of AIFRS has not resulted in any changes to financial reports requiring explanation of changes. Accounting policies adopted by the union are explained in Note 1.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 3: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of RAO Schedule which read as follows: -

1. A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

	2006 \$	2005 \$
<b>NOTE 4: REVENUE</b>		
Operating activities		
Subscriptions	2,027,239	1,841,232
Interest received	61,616	51,085
Other	75,983	73,287
	<u>2,164,838</u>	<u>1,965,604</u>

**NOTE 5: PROFIT FOR YEAR**

Profit for year before income tax expense has been determined after:

**Expenses:**

**Administration expense**

Advertising	18,867	7,191
Bank Charges	21,239	24,786
Computer software & expenses	36,618	62,006
Deputations, conferences & meetings	109,212	77,616
Donations	14,359	12,003
Executive expenses	4,892	3,861
Insurance	72,154	70,687
Motor Vehicle Expenses & parking	69,313	49,780
Newspapers, awards & subscriptions	2,154	6,890
Office & building maintenance	16,904	7,303
Postage and Courier	61,968	59,651
Printing, stationery & publicity	102,616	101,664

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 5: PROFIT FOR YEAR continued</b>		
Professional services		
- audit	12,650	12,250
- consultants	28,899	28,935
- legal	15,376	5,878
Promotion	21,365	-
Sponsorship	7,386	3,918
Staff Training	19,973	9,887
Sundry expenses	13,642	14,286
Travel – Members meetings	1,380	10,105
	<b>650,967</b>	<b>568,697</b>
 <b>Affiliation, capitation fees and compulsory levies</b>		
Affiliation fees:		
- APHEDA	236	236
- Australian Labor Party	22,080	21,797
- Progressive Union	-	50
- Trades and Labor Councils		
-Ballarat	1,708	1,708
-Bendigo	232	232
-Geelong	503	310
-Gippsland	518	471
-Goulburn Valley	127	127
-Mallee	240	240
-South West	248	198
-Victorian Trades Hall	10,341	9,854
Capitation fees:		
- Health Services Union of Australia National Council	107,579	115,419
Compulsory Levies:		
- Victorian Trades Hall Council		
-campaign levy	1,081	1,040
-women's levy	600	574
-young unionists levy	522	579
ACTU Campaign Levy	28,681	-
	<b>174,696</b>	<b>152,835</b>
 <b>Borrowing expenses</b>		
Interest on hire purchase	1,754	2,456
	<b>1,754</b>	<b>2,456</b>

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>NOTE 5: PROFIT FOR YEAR continued</b>		
<b>Depreciation and amortisation expenses</b>		
Depreciation of plant and equipment	63,930	61,333
Amortisation on leasehold improvements	11,541	14,160
	<u>75,471</u>	<u>75,493</u>
<b>Employee benefits expense</b>		
Salaries and allowances		
- elected officials	170,248	156,070
- employees	619,896	560,777
Superannuation contributions		
- elected officials	26,504	24,909
- employees	73,847	64,730
Provision for annual leave		
- elected officials	(6,859)	4,806
- employees	(1,848)	(8,150)
Provision for long service leave		
- elected officials	6,431	5,772
- employees	7,961	6,799
Other	92,246	68,363
	<u>988,426</u>	<u>884,076</u>
<b>NOTE 6: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	529	577
Cash at bank	834,441	667,100
Cash on deposit	409,922	388,459
	<u>1,244,892</u>	<u>1,056,136</u>
<b>NOTE 7: TRADE AND OTHER RECEIVABLES</b>		
Sundry debtors	<u>38,521</u>	<u>16,471</u>
	<u>38,521</u>	<u>16,471</u>
<b>NOTE 8: OTHER CURRENT ASSETS</b>		
Prepayments	<u>75,830</u>	<u>65,310</u>

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>NOTE 9: PROPERTY, PLANT AND EQUIPMENT</b>		
<b>Leasehold improvements</b>		
Leasehold improvements at cost	166,120	166,120
Less: accumulated amortisation	<u>(121,017)</u>	<u>(109,476)</u>
	45,103	56,644
Plant and equipment		
Plant and equipment at cost	563,262	510,753
Less: accumulated depreciation	<u>(328,357)</u>	<u>(269,362)</u>
	234,905	241,391
	<u>280,008</u>	<u>298,035</u>

**a. Movements in carrying amounts**

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

	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at the beginning of year	56,644	241,391	298,035
Additions	-	77,670	77,670
Disposals	-	(20,226)	(20,226)
Depreciation expense	<u>(11,541)</u>	<u>(63,930)</u>	<u>(75,471)</u>
Carrying amount at the end of year	<u>45,103</u>	<u>234,905</u>	<u>280,008</u>

	2006 \$	2005 \$
<b>NOTE 10: FINANCIAL ASSETS</b>		
A.C.T.U Financial Services Pty Ltd — at cost	3,365	3,365
Less: Provision for diminution in value of investment	<u>(3,365)</u>	<u>(3,365)</u>
	-	-

**NOTE 11: TRADE AND OTHER PAYABLES**

Income in advance	-	12,577
Legal costs payable	869	-
Sundry creditors	<u>198,150</u>	<u>101,533</u>
	<u>199,019</u>	<u>114,110</u>



**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 12: BORROWINGS</b>		
<b>CURRENT</b>		
Hire purchase liability	11,577	11,577
Less unexpired interest	<u>(997)</u>	<u>(1,754)</u>
	<u>10,580</u>	<u>9,823</u>
<b>NON-CURRENT</b>		
Hire purchase liability	7,818	19,394
Less unexpired interest	<u>(217)</u>	<u>(1,213)</u>
	<u>7,601</u>	<u>18,181</u>
<b>NOTE 13: PROVISIONS</b>		
Employee entitlements		
Provision for annual leave		
- elected officials	36,234	43,093
- employees	<u>43,218</u>	<u>45,066</u>
	<u>79,452</u>	<u>88,159</u>
Provision for long service leave		
- elected officials	71,740	65,309
- employees	<u>46,426</u>	<u>38,465</u>
	<u>118,166</u>	<u>103,774</u>
Total employee entitlements	<u>197,618</u>	<u>191,933</u>
Number of employees at year end	<u>13</u>	<u>15</u>

**NOTE 14: CONTINGENT LIABILITIES**

There are no contingent liabilities at the date of this report.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 15: RELATED PARTY TRANSACTIONS**

The names of committee of management of the Union who have held office during the financial year are:

Jennifer Evans	President
Denise Guppy	Assistant Branch Secretary
Mandee Oakes	Junior Vice President
Lloyd Williams	Branch Secretary
David Stephens (resigned 7 December 2005)	Assistant Branch Secretary
Brian Addison	Trustee
Diane Welton	Trustee
Natasha Markulev	Senior Vice President
Joanne Petrenko	Committee Member
Mavis Jack	" "
Maree Coughlan	" "
John Murphy	" "
Diane Harpur	" "
Peter McConville (resigned 28 March 2006)	" "
Patrick Nuzum	" "
Bella Anderson (appointed 7 December 2005)	" "
Paul Healy (appointed 28 March 2006)	" "

- a. The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$170,248.

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$26,504.

- b. The aggregate amount of remuneration paid as salaries to other persons on the committee of management in their capacity as professional officer of the union was as follows:

- salaries \$70,645 and superannuation \$11,303.

Remuneration paid to other persons on the committee of management in the form of honorariums was \$2,000.

- c. There were no transactions between the officers of the Union other than those relating to their membership of the Union and reimbursement by the Union in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which it is reasonable to expect would have been adopted by parties at arm's length.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 16: LEASING COMMITMENTS</b>		
<b>Finance Lease Commitments</b>		
Payable		
not later than 1 year	11,577	11,577
later than 1 year but not later than 5 years	7,818	19,394
Minimum lease payments	19,395	30,971
Less future finance charges	1,214	2,967
Total lease liability	18,181	28,004
<b>Operating Lease Commitments</b>		
Being for rent of office		
Payable:		
not later than 1 year	52,227	50,706
later than 1 year but not later than 5 years	166,272	218,499
	218,499	269,205

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 3% per annum. The lease allows for sub-letting of all lease areas.

**NOTE 17: SEGMENT REPORTING**

The Union operates predominantly in one industry, being health and community services sector. The business operates predominantly in one geographical area being Victoria, Australia.

**NOTE 18: ECONOMIC DEPENDENCE**

The principle source of income for the Union is from membership fees. The Union is economically dependent upon the membership levels and fees.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<b>NOTE 19: CASH FLOW INFORMATION</b>		
<b>a. Reconciliation of Cash</b>		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	529	577
Cash at bank	834,441	667,100
Cash on deposit	409,922	388,459
	<u>1,244,892</u>	<u>1,056,136</u>
<b>b. Reconciliation of Cash Flow from Operations with Net Profit attributable to members</b>		
Net profit	122,528	128,316
Non-cash flows in profit:		
Depreciation	75,471	75,493
Net loss on disposal of plant and equipment	1,398	10,564
Non cash items	8,828	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(22,050)	(8,217)
(Increase)/decrease in other assets	(10,520)	(2,434)
Increase/(decrease) in payables	84,909	12,777
Increase/(decrease) in other provisions	5,685	9,227
	<u>266,249</u>	<u>225,726</u>
Cash flows from operations	<u>266,249</u>	<u>225,726</u>
<b>c. The Union has no credit stand-by or financing facilities in place.</b>		
<b>d. There were no non-cash financing or investing activities during the period.</b>		

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**NOTE 20: FINANCIAL INSTRUMENTS**

(a) Interest Rate Risk Exposures

The Union's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities, is as follows:

	Note	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate Within 1 to 5 Years	Maturing Non- interest bearing	TOTAL
		%	\$	\$	\$	\$	\$
<b>2006</b>							
<b>Financial Assets</b>							
Cash at bank	6	5.75	834,441	409,922	-	529	1,244,892
Receivables	7		-	-	-	38,521	38,521
<b>Total Financial Assets</b>			<b>834,441</b>	<b>409,922</b>	<b>-</b>	<b>39,050</b>	<b>1,283,413</b>
<b>Financial Liabilities</b>							
Hire Purchase Creditors	12	7.45	-	10,580	7,601	-	18,181
Payables	11		-	-	-	199,019	199,019
<b>Total Financial Liabilities</b>			<b>-</b>	<b>10,580</b>	<b>7,601</b>	<b>199,019</b>	<b>217,200</b>
<b>Net Financial Assets/(Liabilities)</b>			<b>834,441</b>	<b>399,342</b>	<b>(7,601)</b>	<b>(159,969)</b>	<b>1,066,213</b>

	Note	Weighted Average Effective Interest Rate	Floating Interest Rate	Fixed Interest Rate Within 1 Year	Fixed Interest Rate Within 1 to 5 Years	Maturing Non- interest bearing	TOTAL
		%	\$	\$	\$	\$	\$
<b>2005</b>							
<b>Financial Assets</b>							
Cash at bank	6	5.50	667,100	388,459	-	577	1,056,136
Receivables	7		-	-	-	16,471	16,471
<b>Total Financial Assets</b>			<b>667,100</b>	<b>388,459</b>	<b>-</b>	<b>17,048</b>	<b>1,072,607</b>
<b>Financial Liabilities</b>							
Hire Purchase Creditors	12	7.45	-	9,823	18,181	-	28,004
Payables	11		-	-	-	114,110	114,110
<b>Total Financial Liabilities</b>			<b>-</b>	<b>9,823</b>	<b>18,181</b>	<b>114,110</b>	<b>142,114</b>
<b>Net Financial Assets/(Liabilities)</b>			<b>667,100</b>	<b>378,636</b>	<b>(18,181)</b>	<b>(97,062)</b>	<b>930,493</b>

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 20: FINANCIAL INSTRUMENTS continued</b>		
<b>a. Interest Rate Risk Exposures continued</b>		
Reconciliation of Net Financial Assets to Net Assets		
Net Financial Assets	1,066,213	930,493
Non-Financial assets and liabilities		
Prepayments	8      75,830	65,310
Property, plant and equipment	9      280,008	298,035
Employee entitlements	13 <u>(197,618)</u>	<u>(191,933)</u>
Net assets per statement of balance sheet	<u>1,224,433</u>	<u>1,101,905</u>

**b. Credit Risk**

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the balance sheet and notes to the financial statements.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

**c. Net Fair Values**

For all financial assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Union intends to hold these assets to maturity.

The aggregate net fair values and carrying amounts of financial assets and financial liabilities are disclosed in the balance sheet and in the notes to the financial statements.

**NOTE 21: ENTITY DETAILS**

The registered office is:  
Health Services Union of Australia  
Victorian No. 2 Branch  
Level 2  
102 Victoria Street  
Carlton South Vic. 3053

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**COMMITTEE OF MANAGEMENT CERTIFICATE**

On 26 September 2006 the Committee of Management of the Health Services Union of Australia Victorian No. 2 Branch ("Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2006:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for purposes of Section 270 of the RAO schedule;
- (b) the financial statements and notes give a true and fair view of the financial performance and financial position of the reporting unit for the financial year to which they relate;
- (c) 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;
- (d) during the financial year to which the GPFR 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 RAO Schedule and the RAO Regulations; and
  - (iv) the financial records for each of the other reporting units within the organisation are, as far as practicable kept in a manner consistent with this reporting unit; and
  - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (vi) no orders have been requested for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (e) there was no recovery of wages activity for the financial year.
- (f) that the members receive a copy of the concise financial report.

For Committee of Management: Lloyd Williams  
Title of Office held: Branch Secretary

Signature:



Melbourne: 2 October 2006

**INDEPENDENT AUDITOR'S REPORT  
HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH**

**Scope**

**The financial report and committee's responsibility**

The financial report comprises the income statement, balance sheet, statement of changes in equity, statement of cash flows, statement of receipts and payments for recovery of wages activity, accompanying notes to the financial statements, and committee of management certificate of the Health Services Union Of Australia, Victorian No. 2 Branch ("Reporting Unit") for the year ended 30 June 2006.

The reporting unit's committee of management is responsible for the preparation and true and fair presentation of the financial report in accordance with the Workplace Relations Act 1996 and Accounting Standards. This includes responsibility for the maintenance of adequate accounting records and internal controls that are designed to prevent and detect fraud and error, and for the accounting policies and accounting estimates inherent in the financial report.

**Audit Approach**

We conducted an independent audit in order to express an opinion to the members of the reporting unit. Our audit was conducted in accordance with Australian Auditing Standards and Workplace Relations Act 1996, in order to provide reasonable assurance as to whether the financial report is free of material misstatement and whether it properly and fairly reports all information in relation to recovery of wages activity. The nature of an audit is influenced by factors such as the use of professional judgment, selective testing, the inherent limitations of internal control, and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements have been detected.

We performed procedures to assess whether in all material respects the financial report presents fairly, in accordance with the Workplace Relations Act 1996, including compliance with Accounting Standards and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the reporting unit's financial position, and its performance as represented by the results of its operations and cash flows.

We formed our audit opinion on the basis of these procedures, which included:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates made by the committee.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our audit was not designed to provide assurance on internal controls.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.



**INDEPENDENT AUDITOR'S REPORT continued**  
**HEALTH SERVICES UNION OF AUSTRALIA**  
**VICTORIAN NO. 2 BRANCH**

**Audit Opinion**

In our opinion, the financial report of the Reporting Unit:

- (a) presents a true and fair view in accordance with the provisions of the Workplace Relations Act 1996, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the RAO Schedule, Accounting Standards and other mandatory professional reporting requirements in Australia, the financial position of the Reporting Unit as at 30 June 2006 and the results of its operations and its cash flows for the year then ended.
- (b) properly and fairly report all information in relation to recovery of wages activity required by the reporting guidelines of the Industrial Registrar, including:
  - (i) any fees charged to or reimbursements of expenses claimed from members and others for recovery of wages activity; and
  - (ii) any donations or other contributions deducted from recovered money.

*MSI Ragg Weir*

**MSI RAGG WEIR**  
Chartered Accountants

*LS Wong*

**L S WONG CA**  
Partner  
Melbourne: 2 October 2006

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2006**

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**OPERATING REPORT**

In accordance with Section 254 of the Registration and Accountability of Organizations (RAO) Schedule, the Committee of Management present their Operating Report on the Health Services Union of Australia, Victorian No. 2 Branch (the Union), the relevant Reporting Unit for the financial year ended 30 June 2006.

**Principal Activities**

The principal activities of the Union during the financial year were industrial and professional interests of mental health and disability workers in the State of Victoria.

**Operating Result**

The operating profit of the Union for the financial year was \$122,528. No provision for tax was necessary as the Union is exempt from income tax.

**Significant change**

No significant changes in the Union's state of affairs occurred during the financial year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Union, the results of those operations, or the state of affairs of the Union in future financial years.

**Rights of Members**

A member may resign his membership of the Union by notice in writing if:

- (a) the person ceases to be employed in or in connection with the industry of the Union: or
- (b) the notice is given not less than two weeks before the resignation is to take effect and all dues are paid to the date on which the resignation is to take effect.

Notice in writing of resignation shall be addressed to the Secretary of the Branch and delivered to the Secretary.

**Superannuation Officeholders**

No officer or member of the reporting unit:

- (a) is a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (b) a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

**Other Prescribed Information**

In accordance with Regulation 159 of the Workplace Relations (Registration and Accountability of Organisations) Regulations:

- (a) the number of persons that were, at the end of the financial year to which the report relates, recorded in the register of members for Section 230 of the RAO Schedule and who are taken to be members of the Union under section 244 of the RAO Schedule was 6,228.
- (b) the number of persons who were, at the end of the financial year to which the report relates, employees of the Union, where the number of employees includes both full-time and part-time employees, measured on a full-time equivalent basis was 15.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**OPERATING REPORT continued**

**Other Prescribed Information continued**

(c) the names of each person who have been a member of the Committee of Management of the Union at any time during the reporting period, and the period for which he or she held such a position were;

<b>Name</b>		
Jennifer Evans	President	
Denise Guppy	Assistant Branch Secretary	
Mandee Oakes	Junior Vice President	
Lloyd Williams	Branch Secretary	
David Stephens (resigned 7 December 2005)	Assistant Branch Secretary	
Brian Addison	Trustee	
Diane Welton	Trustee	
Natasha Markulev	Senior Vice President	
Joanne Petrenko	Committee Member	
Mavis Jack	"	"
Maree Coughlan	"	"
John Murphy	"	"
Diane Harpur	"	"
Peter McConville (resigned 28 March 2006)	"	"
Patrick Nuzum	"	"
Bella Anderson (appointed 7 December 2005)	"	"
Paul Healy (appointed 28 March 2006)	"	"

Committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Adoption of Australian Equivalents to IFRS**

As a result of the introduction of Australian equivalents to International Financial Reporting Standards (AIFRS), the Reporting Unit's financial report has been prepared in accordance with those standards. No adjustments arise on the transition to AIFRS.

Signed in accordance with a resolution of the Committee of Management.

For Committee of Management: Lloyd Williams  
Title of Office held: Branch Secretary

Signature: 

Melbourne: 2 October 2006

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
Revenue	2,164,838	1,965,604
Administration expense	(650,967)	(568,697)
Affiliation and capitation fees	(174,696)	(152,835)
Borrowing costs expense	(1,754)	(2,456)
Communication expense	(49,482)	(40,175)
Loss on disposal of fixed assets	(1,398)	(10,564)
Depreciation and amortisation expenses	(75,471)	(75,493)
Employee benefits expense	(988,426)	(884,076)
Occupancy expense	(59,519)	(58,715)
Other expenses	<u>(40,597)</u>	<u>(44,277)</u>
Profit before income tax expense	122,528	128,316
Income tax expense	<u>-</u>	<u>-</u>
Net profit attributable to members	<u>122,528</u>	<u>128,316</u>

**Discussion and analysis of Income Statement**

The reduction in net profit for the year of \$5,788 compared with the previous year was mainly due to the increase in expenditure this year of \$205,022 exceeding the increase in revenue of \$199,234.

The major areas where expenditure increased this year was administration of \$82,270 and employee benefit expense of \$104,350. This was offset by an increase in members subscriptions for the year of \$186,007.

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**BALANCE SHEET  
AS AT 30 JUNE 2006**

	Note	2006 \$	2005 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,244,892	1,056,136
Trade and other receivables		38,521	16,471
Other current assets		<u>75,830</u>	<u>65,310</u>
<b>TOTAL CURRENT ASSETS</b>		<u>1,359,243</u>	<u>1,137,917</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		280,008	298,035
Financial assets		<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>280,008</u>	<u>298,035</u>
<b>TOTAL ASSETS</b>		<u>1,639,251</u>	<u>1,435,952</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables		199,019	114,110
Short term borrowings		10,580	9,823
Short term provisions		<u>197,618</u>	<u>191,933</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>407,217</u>	<u>315,866</u>
<b>NON-CURRENT LIABILITIES</b>			
Long term borrowings		<u>7,601</u>	<u>18,181</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>7,601</u>	<u>18,181</u>
<b>TOTAL LIABILITIES</b>		<u>414,818</u>	<u>334,047</u>
<b>NET ASSETS</b>		<u>1,224,433</u>	<u>1,101,905</u>
<b>EQUITY</b>			
Retained profits		<u>1,224,433</u>	<u>1,101,905</u>
<b>TOTAL EQUITY</b>		<u>1,224,433</u>	<u>1,101,905</u>

**Discussion and analysis of Balance Sheet**

The total assets of the Union has increased by \$203,299 and this is mainly due to an increase in cash and cash equivalents of \$188,756. Although total liabilities have increased by \$80,771 the Union is still in a strong financial position with retained profits at 30 June 2006 of \$1,224,433.

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>Retained earnings general fund</b>	<b>Total</b>
Balance at 30 June 2004	973,589	973,589
Retrospective adjustment upon change in accounting policy	-	-
Profit attributable to members	128,316	128,316
Revaluation increment (decrement)	-	-
<b>Balance at 30 June 2005</b>	<b>1,101,905</b>	<b>1,101,905</b>
Profit attributable to members	122,528	122,528
Revaluation increment (decrement)	-	-
<b>Balance at 30 June 2006</b>	<b>1,224,433</b>	<b>1,224,433</b>

**Discussion and analysis of Statement of Change in Equity**

The decrease in retained earnings is due to the decrease in the net profit for the year of \$5,788 as compared with the previous year.

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2006**

	<b>2006</b>	<b>2005</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Subscriptions receipts	2,214,043	2,028,930
Payments to suppliers and employees	(2,082,968)	(1,937,635)
Interest paid	(1,754)	(2,456)
Interest received	60,945	51,023
Other revenue	75,983	85,864
	<u>266,249</u>	<u>225,726</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(77,670)	(161,097)
Proceeds on sale of fixed assets	10,000	43,770
	<u>(67,670)</u>	<u>(117,327)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings	(9,823)	(9,121)
	<u>(9,823)</u>	<u>(9,121)</u>
Net increase/(decrease) in cash held	188,756	99,278
Cash at beginning of year	<u>1,056,136</u>	<u>956,858</u>
Cash at end of year	<u>1,244,892</u>	<u>1,056,136</u>

**Discussion and Analysis of Statement of Cash Flows**

A significant increase in members subscriptions has contributed to the improvement in cash flow for the year by \$188,756.

The accompanying notes form part of these financial statements.



**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**STATEMENT OF RECEIPTS AND PAYMENTS FOR RECOVERY OF WAGES ACTIVITY  
CASH BASIS - FOR THE YEAR ENDED 30 JUNE 2006**

	2006 \$	2005 \$
<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	-	-
	-	-
<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	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-

**Discussion and analysis of Statement of Receipts and Payments for Recovery of Wage Activity**

The Union did not collect any wages on behalf of members throughout the year ended 30 June 2006.

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2006**

**Note 1: Statement of Significant Accounting Policies**

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Report and the Workplace Relations Act 1996.

The financial statements, specific disclosure and other information included in the concise financial report are derived from and are consistent with the full financial report of Health Services Union of Australia Victorian No. 2 Branch. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and investing activities of Health Services Union of Australia Victorian No. 2 Branch as the full financial report.

The full report is the first financial report prepared under AIFRS and AASB 1 First-Time Adoption of Australian Equivalents to International Financial Reporting Standards has been applied in preparing these statements. Comparatives for the year ended 30 June 2006, have been presented applying AIFRS.

There have been no adjustments required to assets, liabilities or retained earnings as a result of the introduction of AIFRS.

**Note 2: Information To Be Provided To Members Or Registrar**

In accordance with the requirements of the Workplace Relations Act, 1996, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of RAO Schedule, which read as follows:-

1. A member of a reporting unit, or a Registrar, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

**Note 3: Financial Statements**

The Union will provide a copy of the full financial report for the year ended 30 June 2006, free of charge to any member who requests it.

**HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580**

**COMMITTEE OF MANAGEMENT CERTIFICATE**

On 26 September 2006 the Committee of Management of the Health Services Union of Australia Victorian No. 2 Branch ("Reporting Unit") passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the financial year ended 30 June 2006:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the reporting guidelines of the Industrial Registrar for purposes of Section 270 of the RAO schedule;
- (b) the financial statements and notes give a true and fair view of the financial performance and financial position of the reporting unit for the financial year to which they relate;
- (c) 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;
- (d) during the financial year to which the GPFR 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 RAO Schedule and the RAO Regulations; and
  - (iv) the financial records for each of the other reporting units within the organisation are, as far as practicable kept in a manner consistent with this reporting unit; and
  - (v) no information has been sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and
  - (vi) no orders have been requested for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
- (e) there was no recovery of wages activity for the financial year.
- (f) that the members receive a copy of the concise financial report.

For Committee of Management: Lloyd Williams  
Title of Office held: Branch Secretary

Signature:



Melbourne: 2 October 2006

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH**

**Scope**

We have audited the concise financial report of Health Services Union of Australia Victorian No. 2 Branch for the year ended 30 June 2006, as set out on pages 3 to 9 in order to express an opinion on it to the members of the Union. The Union's Committee of Management is responsible for the concise financial report.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Health Services Union of Australia Victorian No. 2 Branch for the year ended 30 June 2006. Our audit report on the full financial report was signed on 2 October 2006 and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standards and the Workplace Relations Act 1996.

The audit opinion expressed in this report has been formed on the above basis.

**Independence**

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

**Audit Opinion**

In our opinion, the concise financial report of Health Services Union of Australia Victorian No. 2 Branch complies with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

*MSI Ragg Weir*

**MSI RAGG WEIR**  
Chartered Accountants

*LS Wong*

**L S WONG**  
Partner

Melbourne: 2 October 2006



**Australian Government**

**Australian Industrial Registry**

Level 8, Terrace Towers  
80 William Street, East Sydney, NSW 2011  
Telephone: (02) 8374 6666  
Fax: (02) 9380 6990  
Email: sydney@air.gov.au

Mr Lloyd Williams  
State Secretary  
Health Services Union of Australia  
Victoria No. 2 Branch  
102 Victoria Street  
Carlton Vic 3053

Dear Mr Williams

**Re: Financial documents for year ended 30 June 2006 (2006/337)  
Schedule 1 of the Workplace Relations Act 1996 (the RAO Schedule)**

I have received the financial reports for the Victoria No. 2 Branch of the Health Services Union for the year ended 30 June 2006. The documents were lodged in the Australian Industrial Registry on 15 December 2006.

The documents have been filed.

Although the documents have been filed, there are a few matters in relation to them that I need to bring to the attention of the Union and request that consideration is given to them when completing your next financial return.

**Operating Report**

Whilst details were provided of the right of members to resign as required by paragraph 254(2)(b) of the RAO Schedule, it was stated that resignation with at least 2 weeks notice being given is conditional upon "all dues are paid to the date on which the resignation is to take effect." This is inconsistent with both paragraph (c) (ii) of Rule 13 (Termination Of Membership) of the Union as well as with Section 174(resignation from membership) of the RAO Schedule.

Please do not incorporate this conditional wording in your next operating report.

**Committee of Management Statement**

It would appear that the pro forma Committee of Management statement applicable under the Registrar's Reporting Guidelines for organisations with an annual income level certified by the Registrar under the provisions of section 270 of the RAO Schedule as not exceeding \$100,000 was mistakenly used. Organisations with income levels in excess of \$100,000 must comply with the Registrar's Reporting Guidelines as provided under section 253 of the RAO Schedule. Most importantly, this error has resulted in there being no confirmation by the Committee that the financial statements and notes comply with the Australian Accounting Standards. It also makes no mention as to whether the financial records of your Branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the Union.

Next year please use the Committee of Management Statement pro forma applicable for purposes of section 253 of the RAO Schedule.

I have attached to this letter a copy of the relevant reporting guidelines relating to the Committee of Management Statement.

### References to legislation

On the Designated Officer's Certificate reference is made to Schedule 1B of the Act whereas with the recent amendments to the Act it is now simply Schedule 1.

A copy of this letter has been forwarded to Mr L S Wong, your auditor, for his information.

Yours sincerely,



Michael Ellis  
Deputy Industrial Registrar

3 January 2007

Cc Mr L S Wong Partner  
MSI Ragg Weir  
Chartered Accountants

### *Committee of Management Statement*

24. For purposes of paragraph 253(2)(c) of the RAO Schedule the reporting unit must cause to be prepared a committee of management statement containing declarations by the committee of management in relation to the GPFR.

25. The committee of management statement must include declarations by the committee of management as to whether in the opinion of the committee of management that:

**(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 Industrial Registrar;

(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 GPFR 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 RAO Schedule and the RAO Regulations; and

(iv) where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and

(v) the information sought in any request of a member of the reporting unit or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the member or Registrar; and

(vi) there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

(f) in relation to recovery of wages activity:

(i) the financial report on recovery of wages activity has been fairly and accurately prepared in accordance with the requirements of the reporting guidelines of the Industrial Registrar; and

(ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the RAO Schedule all recovery of wages activity by the reporting unit in which revenues had been derived for the financial year in respect of such activity; and

(iii) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers other than reported in the financial report on recovery of wages activity and the notes to the financial statements; and

(iv) that prior to engaging in any recovery of wages activity, the organisation has disclosed to members by way of a written policy all fees to be charged or reimbursement of expenses required for recovery of wages activity, and any likely request for donations or other contributions in acting for a worker in recovery of wages activity; and

(v) no fees or reimbursements of expenses in relation to recovery of wages activity or donations or other contributions were deducted from moneys recovered from employers on behalf of workers until distributions of recovered money were made to the workers.

26. The committee of management statement must:

(a) be made in accordance with such resolution as is passed by the committee of management of the reporting unit in relation to the matters requiring declaration;

(b) specify the date of passage of the resolution;

(c) be signed by a designated officer within the meaning of section 243 of the RAO Schedule; and

(d) be dated as at the date the designated officer signs the statement.