



**Australian Government**  
**Australian Industrial Registry**

9 January 2009

Mr Lloyd Williams  
Branch Secretary  
Health Services Union  
Victorian No. 2 Branch  
PO Box 206  
CARLTON SOUTH VIC 3053

By email: [hacsu@hacsu.asn.au](mailto:hacsu@hacsu.asn.au)

Dear Mr Lloyd

**Re: Schedule 1 of the Workplace Relations Act 1996 (RAO Schedule)  
Financial report for year ended 30 June 2008 – FR2008/232**

I have received the financial report for the Health Services Union of the Victorian No. 2 Branch for the year ended 30 June 2008. The documents were lodged in the Australian Industrial Registry on 17 December 2008.

The documents have been filed.

Your reporting unit's financial reports are of a high standard. However, there is a matter which requires your attention when preparing future financial reports. This matter has previously been brought to your attention last year by Mr Andrew Schultz from our office in a letter dated 26 February 2008. A copy is enclosed.

Subsection 254(2)(c) of the RAO Schedule requires the operating report to give details of the right of members to resign from the reporting unit under section 174.

Again, the operating report lodged for year ended 30 June 2008 states:

*"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."*

The latter part of paragraph (b) appears inconsistent with s174 of the RAO Schedule and rule 13 of the HSU rules. I suggest that subrules 13(b) and 13(c) should be reproduced in full in future operating reports to comply with the requirements of s254(2)(c) of the RAO Schedule.

Your cooperation in remedying the above matter in future financial reports will be appreciated. Should you wish to discuss the above matters I may be contacted on (03) 8661 7989 (Wed – Fri) or by e-mail at [cynthia.lobooth@airc.gov.au](mailto:cynthia.lobooth@airc.gov.au).

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Cynthia Lo-Booth', with a stylized flourish at the end.

Cynthia Lo-Booth  
Statutory Services Branch

Enc.



**Australian Government**  
**Australian Industrial Registry**

Level 5, 11 Exhibition St, Melbourne Vic 3000  
GPO Box 1994, Melbourne, VIC 3001  
Tel: (03) 8661 7990 - Fax: (03) 9655 0410  
Email – [andrew.schultz@air.gov.au](mailto:andrew.schultz@air.gov.au)

Mr Lloyd Williams  
Secretary  
Health Services Union  
Victorian No. 2 Branch  
Level 2, 102 Victoria Street  
CARLTON VIC 3053

Dear Mr Williams,

By email: [hacsu@hacsu.asn.au](mailto:hacsu@hacsu.asn.au)

**Re: Financial Documents for year ended 30 June 2007 - FR2007/470**

**Schedule 1 - Workplace Relations Act 1996 (RAO Schedule)**

I have received the Financial Report and Concise Report for the Victorian No 2 Branch of the HSU for the year ended 30 June 2007. The documents were lodged on 7 January 2008.

The report has been filed. However the following improvement is required in future years:

Resignation from membership

The Operating Report is required to give details of the right of members to resign under s174 of the RAO Schedule<sup>1</sup>.

The lodged Operating Report stated:

*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.*

.....

The underlined words do not appear to be consistent with s174 of the RAO Schedule (attached). They also do not appear to be consistent with Rule 13(c)(ii) of the HSU Rules.

Accordingly, please amend this part of the Operating Report in future years.

If you have any queries I may be contacted on (03) 8661 7990.

Yours faithfully,

Andrew Schultz  
Statutory Services Branch

26 February 2008

<sup>1</sup> See s254(2)(c) of the RAO Schedule.



11<sup>th</sup> December 2008

Ref: 081088/lw/nb

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 2008***

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 30th June 2008 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 21<sup>st</sup> October 2008 (*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 10<sup>th</sup> November 2008; 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 10<sup>th</sup> December 2008 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 2008**

**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 2008.

**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 loss of the Union for the financial year was \$123,229. 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 6,168.
- (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;

**Name**

Jennifer Evans	President
Bella Anderson	Senior Vice President
Paul Healy	Junior Vice President
Lloyd Williams	Secretary
Denise Guppy	Assistant State Secretary
Diane Welton	Trustee
Brian Addison	Trustee
John Murphy	Committee Member
Patrick Nuzum	Committee Member
Bernadette Gambin	Committee Member (appointed 19 February 2008)
Carol Bissett	Committee Member (appointed 19 February 2008)
Mavis Jack	Committee Member
Tina Grimes	Committee Member
Joanne Petrenko	Committee Member
Sue Van Der Wiel	Committee Member (appointed 17 June 2008)
Mandee Oakes	Junior Vice President (resigned 2 June 2008)
Wendy Williams	Committee Member (resigned 11 December 2007)
Natasha Markulev	Senior Vice President (resigned 11 December 2007)

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

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: 21 October 2008

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
Revenue	3	2,495,359	2,363,885
Administration expense	4	(801,319)	(652,738)
Affiliation and capitation fees	4	(160,762)	(197,626)
Borrowing costs expense	4	(216)	(997)
Communication expense		(54,156)	(42,545)
Loss on disposal of fixed assets		(6,868)	(5,720)
Depreciation and amortisation expenses	4	(79,607)	(76,003)
Employee benefits expense	4	(1,420,227)	(1,169,473)
Occupancy expense		(67,632)	(60,648)
Other expenses		<u>(27,801)</u>	<u>(7,023)</u>
Profit before income tax expense		(123,229)	151,112
Income tax expense	1(a)	<u>-</u>	<u>-</u>
Net profit attributable to members		<u>(123,229)</u>	<u>151,112</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 2008**

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	1,365,640	1,303,506
Trade and other receivables	6	38,862	11,938
Other current assets	7	<u>74,307</u>	<u>75,485</u>
<b>TOTAL CURRENT ASSETS</b>		<u>1,478,809</u>	<u>1,390,929</u>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	231,007	262,819
Financial assets	9	<u>-</u>	<u>-</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u>231,007</u>	<u>262,819</u>
<b>TOTAL ASSETS</b>		<u>1,709,816</u>	<u>1,653,748</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	208,022	117,302
Financial Liabilities	11	5,411	7,601
Short term provisions	12	<u>230,539</u>	<u>153,300</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u>443,972</u>	<u>278,203</u>
<b>NON-CURRENT LIABILITIES</b>			
Financial Liabilities	11	<u>13,528</u>	<u>-</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>13,528</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>		<u>457,500</u>	<u>278,203</u>
<b>NET ASSETS</b>		<u>1,252,316</u>	<u>1,375,545</u>
<b>EQUITY</b>			
Retained profits		<u>1,252,316</u>	<u>1,375,545</u>
<b>TOTAL EQUITY</b>		<u>1,252,316</u>	<u>1,375,545</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 2008

	Retained Profits \$	Total \$
Balance at 1 July 2006	1,224,433	1,224,433
Profit attributable to members	151,112	151,112
<b>Balance at 30 June 2007</b>	<b>1,375,545</b>	<b>1,375,545</b>
Profit attributable to members	(123,229)	(123,229)
<b>Balance at 30 June 2008</b>	<b>1,252,316</b>	<b>1,252,316</b>

The accompanying notes form part of these financial statements.

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions receipts		2,328,168	2,263,080
Payments to suppliers and employees		(2,362,758)	(2,255,7430)
Interest paid		(217)	(997)
Interest received		89,898	69,129
Other revenue		<u>50,371</u>	<u>58,259</u>
Net cash provided by (used in) operating activities	18b	<u>105,462</u>	<u>133,728</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(75,301)	(80,027)
Proceeds on sale of fixed assets		<u>20,636</u>	<u>15,493</u>
Net cash provided by (used in) investing activities		<u>(54,665)</u>	<u>(64,534)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		<u>11,337</u>	<u>(10,580)</u>
Net cash used in financing activities		<u>11,307</u>	<u>(10,580)</u>
Net increase/(decrease) in cash held		62,134	58,614
Cash at beginning of year		<u>1,303,506</u>	<u>1,244,892</u>
Cash at end of year	18a	<u>1,365,640</u>	<u>1,303,506</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 2008**

	2008 \$	2007 \$
<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 2008**

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

This financial report includes the financial statements and notes of the Health Services Union Of Australia, Victorian No. 2 Branch

**Basis of Preparation**

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

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in a financial report containing relevant and reliable information about transactions, events and conditions to which they apply. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards. Material accounting policies adopted in the preparation of this financial report are presented below. They have been consistently applied unless otherwise stated.

The financial report has been prepared on an accruals basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

**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.

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.

**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 2008**

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

**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 2008**

**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.

**i. Critical Accounting Estimates and Judgements**

The committee of management evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the union.

**Key Estimates**

The committee of management assesses impairment at each reporting date by evaluating conditions specific to the union that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value in use calculation performed in assessing recoverable amounts incorporates a number of key estimates.

**Key Judgements**

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amount of the assets and liabilities.

**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).

**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 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 3: REVENUE</b>		
Operating activities		
Subscriptions	2,360,876	2,239,698
Interest received	84,112	65,928
Other	50,371	58,259
	<u>2,495,359</u>	<u>2,363,885</u>

**NOTE 4: PROFIT FOR YEAR**

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

**Expenses:**

**Administration expense**

Advertising	500	5,761
Bank Charges	44,184	45,427
Campaign	5,161	-
Computer software & expenses	28,337	38,831
Deputations, conferences & meetings	109,735	109,982
Donations		
- APHEDA	-	11,113
- Gippsland Trades & Labour Council	-	454
- ACTU Mandurah	-	1,000
- May Day Committee	-	200
- 3CR Community Radio	-	200
- ALP Corangamite Fighting Fund	2,000	-
Executive and Officials Travel expenses	12,826	5,094
Insurance	83,846	78,288
Members Retail Benefits	6,379	-
Motor Vehicle Expenses & parking	62,354	67,341
Newspapers, awards & subscriptions	1,807	3,112
Office Equipment & building maintenance	8,063	2,153
Postage and Courier	69,041	40,785
Printing, stationery & publicity	110,517	87,210
Professional services		
- audit	12,600	12,500
- consultants	90,892	23,477
- legal	58,839	46,187
Promotion	38,208	37,576
Sponsorship	13,506	1,710
Staff Training	10,748	18,449
Sundry expenses	12,628	15,457
Travel – Members meetings	19,148	432
	<u>801,319</u>	<u>652,738</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 2008**

	<b>2008</b>	<b>2007</b>
	<b>\$</b>	<b>\$</b>
<b>NOTE 4: PROFIT FOR YEAR continued</b>		
<b>Affiliation, capitation fees and compulsory levies</b>		
Affiliation fees:		
- APHEDA	236	760
- Australian Labor Party	22,167	22,042
- Trades and Labor Councils		
-Ballarat	2,135	1,281
-Bendigo	234	232
-Geelong	252	419
-Gippsland	1,518	518
-Goulburn Valley	126	127
-Mallee	220	240
-South West	198	149
-Victorian Trades Hall	13,262	13,146
-North East	300	
Capitation fees:		
- Health Services Union of Australia National Council	120,114	128,667
ACTU Campaign Levy	-	30,045
	<u>160,762</u>	<u>197,626</u>
 <b>Borrowing expenses</b>		
Interest on hire purchase	<u>216</u>	<u>997</u>
 <b>Depreciation and amortisation expenses</b>		
Depreciation of plant and equipment	71,407	73,483
Amortisation on leasehold improvements	8,200	2,520
	<u>79,607</u>	<u>76,003</u>
 <b>Employee benefits expense</b>		
Salaries and allowances		
- elected officials	173,060	162,671
- employees	942,284	845,076
Superannuation contributions		
- elected officials	24,617	15,961
- employees	94,243	97,738
Provision for annual leave		
- elected officials	18,601	(5,110)
- employees	33,231	(10,321)
Provision for long service leave		
- elected officials	13,246	(17,842)
- employees	12,161	(11,046)
Other	108,784	92,345
	<u>1,420,227</u>	<u>1,169,473</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 2008**

	<b>2008</b>	<b>2007</b>
	\$	\$
<b>NOTE 5: CASH AND CASH EQUIVALENTS</b>		
Cash on hand	700	2,267
Cash at bank	907,879	868,884
Cash on deposit	457,061	432,355
	<u>1,365,640</u>	<u>1,303,506</u>

**NOTE 6: TRADE AND OTHER RECEIVABLES**

Sundry debtors	<u>38,862</u>	<u>11,938</u>
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**NOTE 7: OTHER CURRENT ASSETS**

Prepayments	<u>74,307</u>	<u>75,485</u>
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**NOTE 8: PROPERTY, PLANT AND EQUIPMENT**

**Leasehold improvements**

Leasehold improvements at cost	169,397	169,397
Less: accumulated amortisation	(139,390)	(131,188)
	<u>30,007</u>	<u>38,209</u>

Plant and equipment		
Plant and equipment at cost	497,070	497,220
Less: accumulated depreciation	(296,070)	(272,610)
	<u>200,000</u>	<u>224,610</u>
	<u>231,007</u>	<u>262,819</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	38,209	224,610	262,819
Additions	-	75,301	75,301
Disposals	-	(27,504)	(27,504)
Depreciation expense	(8,202)	(71,406)	(79,607)
	<u>30,007</u>	<u>200,000</u>	<u>231,007</u>
Carrying amount at the end of year	<u>30,007</u>	<u>200,000</u>	<u>231,007</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 2008**

	<b>2008</b>	<b>2007</b>
	\$	\$
<b>NOTE 9: 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>
	-	-
<b>NOTE 10: TRADE AND OTHER PAYABLES</b>		
Sundry creditors	<u>208,022</u>	<u>117,302</u>
	<u>208,022</u>	<u>117,302</u>
<b>NOTE 11: FINANCIAL LIABILITIES</b>		
<b>CURRENT</b>		
Hire purchase liability	5,411	7,818
Less unexpired interest	<u>-</u>	<u>(217)</u>
	<u>5,411</u>	<u>7,601</u>
<b>NON-CURRENT</b>		
Hire purchase liability	13,528	-
Less unexpired interest	<u>-</u>	<u>-</u>
	<u>13,528</u>	<u>-</u>
<b>NOTE 12: PROVISIONS</b>		
	<b>Employee</b>	<b>Total</b>
	<b>Benefits</b>	<b>\$</b>
	\$	\$
Opening balance at 1 July 2007	153,300	153,300
Additional provisions raised during the year	113,077	113,077
Amounts used	<u>(35,838)</u>	<u>(35,838)</u>
Balance at 30 June 2008	<u>230,539</u>	<u>230,539</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 2008

	2008 \$	2007 \$
<b>NOTE 12: PROVISIONS continues</b>		
<b>Analysis of Total Provisions</b>		
Employee entitlements		
Provision for annual leave		
- elected officials	49,726	31,125
- employees	<u>66,128</u>	<u>32,897</u>
	<u>115,854</u>	<u>64,022</u>
Provision for long service leave		
- elected officials	67,144	53,898
- employees	<u>47,541</u>	<u>35,380</u>
	<u>114,685</u>	<u>89,278</u>
Total employee entitlements	<u>230,539</u>	<u>153,300</u>
Number of employees at year end	<u>15</u>	<u>15</u>

**NOTE 13: 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 2008**

**NOTE 14: KEY MANAGEMENT PERSONNEL COMPENSATION  
& RELATED PARTY TRANSACTIONS**

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

Jennifer Evans	President
Bella Anderson	Senior Vice President
Paul Healy	Junior Vice President
Lloyd Williams	Secretary
Denise Guppy	Assistant State Secretary
Diane Welton	Trustee
Brian Addison	Trustee
John Murphy	Committee Member
Patrick Nuzum	Committee Member
Bernadette Gambin	Committee Member (appointed 19 February 2008)
Carol Bissett	Committee Member (appointed 19 February 2008)
Mavis Jack	Committee Member
Tina Grimes	Committee Member
Joanne Petrenko	Committee Member
Sue Van Der Wiel	Committee Member (appointed 17 June 2008)
Mandee Oakes	Junior Vice President (resigned 2 June 2008)
Wendy Williams	Committee Member (resigned 11 December 2007)
Natasha Markulev	Senior Vice President (resigned 11 December 2007)

- a. The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$173,060.(2007:\$162,671)

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$0. (2007: \$15,960)

- 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 \$219,671 and superannuation \$32,335.

Remuneration paid to other persons on the committee of management in the form of honorariums was \$2,000 (2007: \$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 2008**

	<b>2008</b>	<b>2007</b>
	\$	\$
<b>NOTE 15: LEASING COMMITMENTS</b>		
<b>Finance Lease Commitments</b>		
Payable		
not later than 1 year	5,411	7,818
later than 1 year but not later than 5 years	-	-
Minimum lease payments	5,411	7,818
Less future finance charges	-	217
<b>Total lease liability</b>	<b>5,411</b>	<b>7,601</b>
<b>Operating Lease Commitments</b>		
Being for rent of office		
Payable:		
not later than 1 year	55,408	53,794
later than 1 year but not later than 5 years	57,070	112,478
	<b>112,478</b>	<b>166,272</b>

The property lease is a non-cancellable lease with a five-year term, expiring 30 June 2010, 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 16: 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 17: 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 2008**

	<b>2008</b>	<b>2007</b>
	\$	\$
<b>NOTE 18: 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	700	2,267
Cash at bank	907,879	868,884
Cash on deposit	457,061	432,355
	<u>1,365,640</u>	<u>1,303,506</u>
<b>b. Reconciliation of Cash Flow from Operations with Net Profit attributable to members</b>		
Net profit	(123,229)	151,112
Non-cash flows in profit:		
Depreciation	79,607	76,003
Net loss on disposal of plant and equipment	6,869	5,720
Non cash items	-	-
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(26,923)	26,583
(Increase)/decrease in other assets	1,177	345
Increase/(decrease) in payables	90,720	(81,718)
Increase/(decrease) in other provisions	77,241	(44,318)
	<u>105,462</u>	<u>133,728</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 2008**

**NOTE 19: FINANCIAL INSTRUMENTS**

**(i) Treasury Risk Management**

The committee members of the Union meet on a regular basis to analyse interest rate exposure and to evaluate management strategies in the context of the most recent economic conditions and forecasts.

**(ii) Financial Risk Exposures and Management**

The main risks the Union is exposed to through its financial instruments are interest rate risks, liquidity risk and credit risk.

**a. Interest Rate Risk**

The Union's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of 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>2008</b>							
<b>Financial Assets</b>							
Cash at bank	5	5.75	907,879	457,061	-	700	1,365,640
Receivables	6	-	-	-	-	38,862	38,862
<b>Total Financial Assets</b>			<b>907,879</b>	<b>457,061</b>	<b>-</b>	<b>49,562</b>	<b>1,404,502</b>
<b>Financial Liabilities</b>							
Hire Purchase Creditors	11	7.45	-	18,939	-	-	18,939
Payables	10		-	-	-	208,022	208,022
<b>Total Financial Liabilities</b>			<b>-</b>	<b>18,939</b>	<b>-</b>	<b>208,022</b>	<b>226,961</b>
<b>Net Financial Assets/(Liabilities)</b>			<b>907,879</b>	<b>438,122</b>	<b>-</b>	<b>(158,460)</b>	<b>1,177,541</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 2008**

**NOTE 19: FINANCIAL INSTRUMENTS continued**

	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>2007</b>							
<b>Financial Assets</b>							
Cash at bank	5	5.75	868,884	432,355	-	2,267	1,303,506
Receivables	6	-	-	-	-	11,938	11,938
<b>Total Financial Assets</b>			<b>868,884</b>	<b>432,355</b>	<b>-</b>	<b>14,205</b>	<b>1,315,444</b>
<b>Financial Liabilities</b>							
Hire Purchase Creditors	11	7.45	-	7,601	-	-	7,601
Payables	10	-	-	-	-	117,302	117,302
<b>Total Financial Liabilities</b>			<b>-</b>	<b>7,601</b>	<b>-</b>	<b>117,302</b>	<b>124,903</b>
<b>Net Financial Assets/(Liabilities)</b>			<b>868,884</b>	<b>424,754</b>	<b>-</b>	<b>(103,096)</b>	<b>1,190,541</b>

**b. Liquidity Risk**

The Union manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained.

**c. 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.

**d. 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.

**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 2008**

**NOTE 20: 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 21 October 2008 the Committee of Management of the Health Services Union of Australia Victorian No. 2 Branch ("Union/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 2008:

The Committee of Management declares in relation to the GPFR 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 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 organization; 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 of Registrar; and
  - (vi) there has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the RAO Schedule.

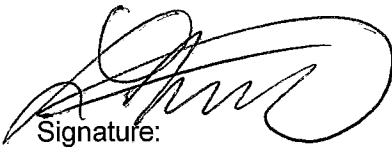
HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
ABN 48 505 905 580

COMMITTEE OF MANAGEMENT CERTIFICATE  
continued

- (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.
- (g) that the members receive a copy of the concise financial report.

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 21 October 2008

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

**Report on the financial report**

We have audited the accompanying financial report of Health Services Union of Australia Victorian No 2 Branch (the reporting unit), which comprises the balance sheet as at 30 June 2008, and the income statement, statement of changes in equity and cash flow statement for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the committee of management's declaration of the reporting unit during the financial year.

**Committee of management's responsibility for the financial report**

The reporting unit's committee of management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the committee also state, in accordance with Accounting Standard AASB 101: "Presentation of Financial Statements", that compliance with the Australian equivalents to international Financial Reporting Standards (IFRS) ensures that the financial report, comprising the financial statements and notes, complies with IFRS.

**Auditor's responsibility**

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

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

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

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

**Auditor's opinion**

In our opinion the financial report of the reporting unit:

- (a) is 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, including:
  - (i) presenting fairly the reporting unit's financial position as at 30 June 2008 and of its performance for the year ended on that date; and
  - (ii) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and International Financial Reporting Standards as disclosed in Note 1.
- (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

*L.S. Wong*

**L.S. WONG**  
Partner,  
Member of the Institute of Chartered Accountants in Australia and  
holder of a current public practice certificate

Melbourne      *22 October 2008*

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

**CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2008**

**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 2008.

**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 loss of the Union for the financial year was \$123,229. 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 6,168.
- (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;


**Name**

Jennifer Evans	President
Bella Anderson	Senior Vice President
Paul Healy	Junior Vice President
Lloyd Williams	Secretary
Denise Guppy	Assistant State Secretary
Diane Welton	Trustee
Brian Addison	Trustee
John Murphy	Committee Member
Patrick Nuzum	Committee Member
Bernadette Gambin	Committee Member (appointed 19 February 2008)
Carol Bissett	Committee Member (appointed 19 February 2008)
Mavis Jack	Committee Member
Tina Grimes	Committee Member
Joanne Petrenko	Committee Member
Sue Van Der Wiel	Committee Member (appointed 17 June 2008)
Mandee Oakes	Junior Vice President (resigned 2 June 2008)
Wendy Williams	Committee Member (resigned 11 December 2007)
Natasha Markulev	Senior Vice President (resigned 11 December 2007)

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

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: 21 October 2008

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

**INCOME STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
Revenue		2,495,359	2,363,885
Administration expense		(801,319)	(652,738)
Affiliation and capitation fees		(160,762)	(197,626)
Borrowing costs expense		(216)	(997)
Communication expense		(54,156)	(42,545)
Loss on disposal of fixed assets		(6,868)	(5,720)
Depreciation and amortisation expenses		(79,607)	(76,003)
Employee benefits expense		(1,420,227)	(1,169,473)
Occupancy expense		(67,632)	(60,648)
Other expenses		<u>(27,801)</u>	<u>(7,023)</u>
Profit before income tax expense		(123,229)	151,112
Income tax expense		<u>-</u>	<u>-</u>
Net profit attributable to members		<u>(123,229)</u>	<u>151,112</u>

**Discussion and analysis of Income Statement**

Net profits for the year have decreased by \$274,341. This is due primarily to increased employee expenses of \$250,754 and administration expenses of \$148,581 which were offset by increased member subscriptions of \$121,178.

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 2008**

	Note	2008 \$	2007 \$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,365,640	1,303,506
Trade and other receivables		38,862	11,938
Other current assets		74,307	75,485
		<u>1,478,809</u>	<u>1,390,929</u>
<b>TOTAL CURRENT ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment		231,007	262,819
Financial assets		-	-
		<u>231,007</u>	<u>262,819</u>
<b>TOTAL NON-CURRENT ASSETS</b>			
		<u>1,709,816</u>	<u>1,653,748</u>
<b>TOTAL ASSETS</b>			
<b>CURRENT LIABILITIES</b>			
Trade and other payables		208,022	117,302
Financial liabilities		5,411	7,601
Short term provisions		230,539	153,300
		<u>443,972</u>	<u>278,203</u>
<b>TOTAL CURRENT LIABILITIES</b>			
<b>NON-CURRENT LIABILITIES</b>			
Financial liabilities		13,528	-
		<u>13,528</u>	<u>-</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>			
		<u>457,500</u>	<u>278,203</u>
<b>TOTAL LIABILITIES</b>			
		<u>1,252,316</u>	<u>1,375,545</u>
<b>NET ASSETS</b>			
<b>EQUITY</b>			
Retained profits		1,252,316	1,375,545
		<u>1,252,316</u>	<u>1,375,545</u>
<b>TOTAL EQUITY</b>			

**Discussion and analysis of Balance Sheet**

Net Assets have decreased by \$123,229 being the loss for the year. The Union remains in a strong financial position with cash and cash equivalents of \$1,365,640 and net assets of \$1,252,316.

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 2008

	Retained profits \$	Total \$
Balance at 1 July 2006	1,224,433	1,224,433
Profit attributable to members	151,112	151,112
Revaluation increment (decrement)	-	-
<b>Balance at 30 June 2007</b>	<b>1,375,545</b>	<b>1,375,545</b>
Profit attributable to members	(123,229)	(123,229)
Revaluation increment (decrement)	-	-
<b>Balance at 30 June 2008</b>	<b>1,252,316</b>	<b>1,252,316</b>

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

The equity of the Union has decreased by \$123,229 from \$1,375,545 to \$1,252,316.

The accompanying notes form part of these financial statements.

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

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2008**

	Note	2008 \$	2007 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions receipts		2,328,168	2,263,080
Payments to suppliers and employees		(2,362,758)	(2,255,743)
Interest paid		(217)	(997)
Interest received		89,898	69,129
Other revenue		50,371	58,259
		<u>105,462</u>	<u>133,728</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(75,301)	(80,027)
Proceeds on sale of fixed assets		20,636	15,493
		<u>(54,665)</u>	<u>(64,534)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of borrowings		11,337	(10,580)
		<u>11,307</u>	<u>(10,580)</u>
Net increase/(decrease) in cash held		62,134	58,614
Cash at beginning of year		<u>1,303,506</u>	<u>1,244,892</u>
Cash at end of year		<u>1,365,640</u>	<u>1,303,506</u>

**Discussion and analysis of Statement of Cash Flows**

Cashflows have increased by \$62,134 arising from increased interest received and member subscriptions.

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 2008**

	2008 \$	2007 \$
<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 2008**

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

The concise financial report is an extract of the full financial report for the year ended 30 June 2008. 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 financial report of Health Services Union of Australia Victorian No. 2 Branch complies with all Australian equivalents to International Financial Reporting Standards (AIFRS) in their entirety.

**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 2008, 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 21 October 2008 the Committee of Management of the Health Services Union of Australia Victorian No. 2 Branch ("Union/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 2008:

The Committee of Management declares in relation to the GPFR 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 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 organization; 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 of Registrar; and
  - (vi) there has been compliance with any order for inspection of financial reports made by the Commission under section 273 of the RAO Schedule.



HEALTH SERVICES UNION OF AUSTRALIA  
VICTORIAN NO. 2 BRANCH  
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COMMITTEE OF MANAGEMENT CERTIFICATE  
continued

- (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.
- (g) that the members receive a copy of the concise financial report.

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: 21 October 2008

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

**Report on the concise financial report**

The accompanying concise financial report of Health Services Union of Australia Victorian No. 2 Branch comprises the balance sheet as at the 30 June 2008, the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes, derived from the audited financial report of Health Services Union of Australia Victorian No. 2 Branch for the year ended 30 June 2008, and the discussion and analysis. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

**Committee of management's responsibility for the concise financial report**

The committee of management is responsible for the preparation and presentation of the concise financial report in accordance with Accounting Standard AASB 1039: Concise Financial Reports (including the Australian Accounting Interpretations), statutory and other requirements. This responsibility includes establishing maintaining internal control relevant to the preparation of the concise financial report; selecting and applying the appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

**Auditor's responsibility**

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Health Services Union of Australia Victorian No. 2 Branch for the year ended 30 June 2008. Our audit report on the financial report for the year was signed on 21 October 2008 and was not subject to any modification. The Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report for the year is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from, and is consistent with, the financial report for the year, and examination on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039: Concise Financial Reports and whether the discussion and analysis complies with the requirements laid down in AASB 1039: Concise Financial Reports.

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

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

**Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.

**Audit Opinion**

In our opinion, the concise financial report including the discussion and analysis of Health Services Union of Australia Victorian No. 2 Branch for the year ended 30 June 2008 complies with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

*MSI Ragg Weir*

**MSI RAGG WEIR**  
Chartered Accountants

*L S Wong*

**L S WONG CA**  
Partner  
Member of the Institute of Chartered Accountants in Australia and  
holder of a current public practice certificate

Melbourne: *22 October 2008*