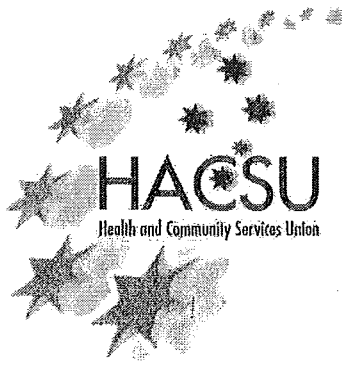


FR 2011/2730



12th December 2011

Ref: 110984/lw/ci

General Manager
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001

FR 2011/2730

Dear Sir,

**Re: Designated Officers Certificate – s268 Fair Work (Registered Organisations)
Health Services Union of Australia Victoria No. 2 Branch.
Financial Statements for Year Ending 30 June 2011**

I, Lloyd Williams, being the Branch Secretary of the Victoria No. 2 Branch of the Health Services Union, 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 2011 referred to in s265 of the Fair Work (Registered Organisations) Act 2009; and
2. That these documents were presented to and accepted by our Branch Committee of Management meeting on the 25th August 2011. The Branch Committee of Management at this meeting also determined to distribute a concise report to members in accordance with s265; and
3. That the Concise Report was published to members on the 29th September 2011; and
4. That the Branch Committee of Management at a second meeting accepted the full report on the 8th December 2011 in accordance with section 266 (3).

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

Yours sincerely,

**Lloyd Williams
STATE SECRETARY**



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

**CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

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

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on the Health Services Union, Victorian No. 2 Branch (the Union), the relevant Reporting Unit for the financial year ended 30 June 2011.

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 \$16,643. No provision for tax was necessary as the Union is exempt from income tax.

Significant change

The Union purchased the building located at 7 Grattan Street Carlton, in September 2010.

No other 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

Pursuant to the Reporting Unit rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later, or
- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the noticewhichever is the later.

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 Fair Work (Registered Organisations) Regulations 2009 ("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 Act and who are taken to be members of the Union under section 244 of the Act was 6,269.(2010: 6,237)
- (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 20.

HEALTH SERVICES UNION
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 (term expired 19 August 2010)
Paul Healey	President (elected 19 August 2010)
Bella Anderson	Senior Vice President (term expired 19 August 2010)
Debbie Gunn	Senior Vice President (elected 19 August 2010)
Paul Healey	Junior Vice President (term expired 19 August 2010)
Brian Addison	Junior Vice President (elected 19 August 2010)
Lloyd Williams	Branch Secretary
Denise Guppy	Assistant Branch Secretary
Dianne Welton	Trustee
Brian Addison	Trustee (term expired 19 August 2010)
Kim Lindsay	Trustee (elected 19 August 2010)
John Murphy	Committee Member
Patrick Nuzum	Committee Member
Bernadette Garbin	Committee Member (term expired 19 August 2010)
Mavis Jack	Committee Member
Tina Grimes	Committee Member (term expired 19 August 2010)
Joanne Petrenko	Committee Member (term expired 19 August 2010)
Sue Van Der Wiel	Committee Member (term expired 19 August 2010)
Sarah Barnard	Committee Member
Katy Curtis	Committee Member (elected 19 August 2010)
Angela Landmann	Committee Member (elected 19 August 2010)
Bella Anderson	Committee Member (elected 19 August 2010)
Kerrie Oldham	Committee Member (elected 19 August 2010)

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:

Dated: 25/8/2011

Melbourne:

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
Revenue	3,026,788	2,863,521
Administration expense	(764,070)	(669,004)
Affiliation and capitation fees	(153,585)	(189,084)
Communication expense	(28,566)	(37,381)
Loss on disposal of fixed assets	(36,474)	(5,852)
Depreciation and amortisation expenses	(88,314)	(53,469)
Employee benefits expense	(1,833,563)	(1,680,663)
Occupancy expense	(68,865)	(54,153)
Borrowing Costs	(69,994)	-
	<hr/>	<hr/>
Profit/ (loss) before income tax expense	(16,643)	173,915
Income tax expense	-	-
	<hr/>	<hr/>
Net profit/ (loss) attributable to members	(16,643)	173,915

Discussion and Analysis of Statement of Comprehensive Income:

The operating result of the Union for the year was a net loss of \$16,643. Improvements in revenue were offset by increases in expenses, resulting in a decrease in net profit as compared to the prior year.

The accompanying notes form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION
AS AT JUNE 2011**

	2011 \$	2010 \$
CURRENT ASSETS		
Cash and cash equivalents	615,366	1,873,236
Trade and other receivables	98,522	56,379
Other current assets	98,930	8,114
	<u>812,818</u>	<u>1,937,729</u>
TOTAL CURRENT ASSETS		
NON-CURRENT ASSETS		
Property, plant and equipment	2,347,607	212,847
	<u>2,347,607</u>	<u>212,847</u>
TOTAL NON-CURRENT ASSETS		
	<u>3,160,425</u>	<u>2,150,576</u>
TOTAL ASSETS		
CURRENT LIABILITIES		
Trade and other payables	191,971	247,921
Short term provisions	302,198	282,502
Borrowings	23,796	-
	<u>517,965</u>	<u>530,423</u>
TOTAL CURRENT LIABILITIES		
NON-CURRENT LIABILITIES		
Borrowings	1,038,950	-
	<u>1,038,950</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		
	<u>1,556,915</u>	<u>530,423</u>
TOTAL LIABILITIES		
NET ASSETS	<u>1,603,510</u>	<u>1,620,153</u>
EQUITY		
Retained profits	1,603,510	1,620,153
	<u>1,603,510</u>	<u>1,620,153</u>
TOTAL EQUITY		

Discussion and Analysis of Statement of Financial Position

The major change in the Statement of Financial Position can be attributed to the purchase of the 7 Grattan St property.

The accompanying notes form part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Retained Profits \$	Total \$
Balance at 1 July 2009	1,446,238	1,446,238
Profit attributable to members	173,915	173,915
Balance at 30 June 2010	1,620,153	1,620,153
Loss attributable to members	(16,643)	(16,643)
Balance at 30 June 2011	1,603,510	1,603,510

Discussion and Analysis of Statement of Changes in Equity

Equity decreased due to loss attributable to members.

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Subscriptions receipts	2,522,449	2,468,874
Payments to suppliers and employees	(2,985,152)	(2,417,380)
Interest received	51,228	65,417
Interest paid	(64,594)	-
Other revenue	415,001	294,834
	(61,068)	411,745
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(2,259,548)	(96,741)
Proceeds on sale of fixed assets	-	21,363
	(2,259,548)	(75,378)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Borrowings	1,080,000	-
Repayment of Borrowings	(17,254)	-
	1,062,746	-
Net increase/(decrease) in cash held	(1,257,870)	336,367
Cash at beginning of year	1,873,236	1,536,869
Cash at end of year	615,366	1,873,236

Discussion and Analysis of Statement of Cash Flows

Increases in payments to suppliers and employees and payment for property, plant and equipment have resulted in a decrease of cash flow.

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION
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 2011**

	2011 \$	2010 \$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:-		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:-		
- the reporting unit	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-

Discussion and Analysis of Statement of Receipts and Payments for Recovery of Wages Activity

The union did not collect any wages on behalf of members throughout the year ended 30 June 2011.

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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 2011. The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009.

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 the Health Services Union, Victorian No. 2 Branch. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financial and investing activities of Health Services Union, Victorian No. 2 Branch as the full financial report.

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

Note 2: Information to Be Provided To Members Of Fair Work Australia

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Act, which read as follows:-

- (1) A member of a reporting unit, or Fair Work Australia, 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 2011, free of charge to any member who requests it.

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

COMMITTEE OF MANAGEMENT CERTIFICATE

On 25 August 2011 the Committee of Management of the Health Services Union 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 2011:

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 Fair Work Australia;
- (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 Act and the 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 Fair Work Australia duly made under section 272 of the Act has been furnished to the member or Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Fair Work Australia under section 273 of the Act.

HEALTH SERVICES UNION
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 Fair Work Australia; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Act 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:



Dated:

23/8/11

Melbourne

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

Scope

We have audited the concise financial report of the Health Services Union, Victorian No. 2 Branch (the reporting unit), for the year ended 30 June 2011, as set out on pages 3 to 10 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 the Health Services Union, Victorian No. 2 Branch for the year ended 30 June 2011. Our audit report on the full financial report was signed on 25 August 2011 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 Fair Work (Registered Organisations) Act 2009.

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 the Health Services Union, Victorian No. 2 Branch complies with Accounting Standard AASB 1039: Concise Financial Reports and the Fair Work (Registered Organisations) Act 2009.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

L S Wong CA

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

Melbourne: 25 August 2011

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

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2011**

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

OPERATING REPORT

In accordance with Section 254 of the Fair Work (Registered Organisations) Act 2009 ("Act") the Committee of Management present their Operating Report on the Health Services Union, Victorian No. 2 Branch (the Union), the relevant Reporting Unit for the financial year ended 30 June 2011.

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 \$16,643. No provision for tax was necessary as the Union is exempt from income tax.

Significant change

The Union purchased the building located at 7 Grattan Street Carlton, in September 2010.

No other 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

Pursuant to the Reporting Unit rules and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the right to resign from membership by providing written notice addressed to and delivered to the Secretary of the Reporting Unit.

A notice of resignation from membership of the Union takes effect:

- (a) where the member ceases to be eligible to become a member of the Union
 - (i) on the day on which the notice is received by the Union
 - (ii) on the day specified in the notice which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is the later, or
- (b) in any other case:
 - (i) at the end of two weeks after the notice is received by the Union, or
 - (ii) on the day specified in the noticewhichever is the later.

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 Fair Work (Registered Organisations) Regulations 2009 ("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 Act and who are taken to be members of the Union under section 244 of the Act was 6,269.(2010: 6,237)
- (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 20.

HEALTH SERVICES UNION
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 (term expired 19 August 2010)
Paul Healey	President (elected 19 August 2010)
Bella Anderson	Senior Vice President (term expired 19 August 2010)
Debbie Gunn	Senior Vice President (elected 19 August 2010)
Paul Healey	Junior Vice President (term expired 19 August 2010)
Brian Addison	Junior Vice President (elected 19 August 2010)
Lloyd Williams	Branch Secretary
Denise Guppy	Assistant Branch Secretary
Dianne Welton	Trustee
Brian Addison	Trustee (term expired 19 August 2010)
Kim Lindsay	Trustee (elected 19 August 2010)
John Murphy	Committee Member
Patrick Nuzum	Committee Member
Bernadette Gambin	Committee Member (term expired 19 August 2010)
Mavis Jack	Committee Member
Tina Grimes	Committee Member (term expired 19 August 2010)
Joanne Petrenko	Committee Member (term expired 19 August 2010)
Sue Van Der Wiel	Committee Member (term expired 19 August 2010)
Sarah Barnard	Committee Member
Katy Curtis	Committee Member (elected 19 August 2010)
Angela Landmann	Committee Member (elected 19 August 2010)
Bella Anderson	Committee Member (elected 19 August 2010)
Kerrie Oldham	Committee Member (elected 19 August 2010)

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:

Dated: 25/8/2011

Melbourne:

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
Revenue	3	3,026,788	2,863,521
Administration expense	4	(764,070)	(669,004)
Affiliation and capitation fees	4	(153,585)	(189,084)
Communication expense		(28,566)	(37,381)
Loss on disposal of fixed assets		(36,474)	(5,852)
Depreciation and amortisation expenses	4	(88,314)	(53,469)
Employee benefits expense	4	(1,833,563)	(1,680,663)
Occupancy expense		(68,865)	(54,153)
Borrowing Costs		(69,994)	-
		<hr/>	<hr/>
Profit/ (loss) before income tax expense		(16,643)	173,915
Income tax expense	1(a)	<hr/> -	<hr/> -
Net profit/ (loss) attributable to members		<hr/> (16,643)	<hr/> 173,915

The accompanying notes form part of these financial statements.

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

**STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011**

	Note	2011 \$	2010 \$
CURRENT ASSETS			
Cash and cash equivalents	5	615,366	1,873,236
Trade and other receivables	6	98,522	56,379
Other current assets	7	<u>98,930</u>	<u>8,114</u>
TOTAL CURRENT ASSETS		<u>812,818</u>	<u>1,937,729</u>
NON-CURRENT ASSETS			
Property, plant and equipment	8	<u>2,347,607</u>	<u>212,847</u>
TOTAL NON-CURRENT ASSETS		<u>2,347,607</u>	<u>212,847</u>
TOTAL ASSETS		<u>3,160,425</u>	<u>2,150,576</u>
CURRENT LIABILITIES			
Trade and other payables	9	191,971	247,921
Short term provisions	10	302,198	282,502
Borrowings	11	<u>23,796</u>	<u>-</u>
TOTAL CURRENT LIABILITIES		<u>517,965</u>	<u>530,423</u>
NON-CURRENT LIABILITIES			
Borrowings	11	<u>1,038,950</u>	<u>-</u>
TOTAL NON-CURRENT LIABILITIES		<u>1,038,950</u>	<u>-</u>
TOTAL LIABILITIES		<u>1,556,915</u>	<u>530,423</u>
NET ASSETS		<u>1,603,510</u>	<u>1,620,153</u>
EQUITY			
Retained profits		<u>1,603,510</u>	<u>1,620,153</u>
TOTAL EQUITY		<u>1,603,510</u>	<u>1,620,153</u>

The accompanying notes form part of these financial statements.

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

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011

	Retained Profits \$	Total \$
Balance at 1 July 2009	1,446,238	1,446,238
Profit attributable to members	<u>173,915</u>	<u>173,915</u>
Balance at 30 June 2010	1,620,153	1,620,153
Loss attributable to members	<u>(16,643)</u>	<u>(16,643)</u>
Balance at 30 June 2011	<u>1,603,510</u>	<u>1,603,510</u>

The accompanying notes form part of these financial statements.

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011**

	Note	2011 \$	2010 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Subscriptions receipts		2,522,449	2,468,874
Payments to suppliers and employees		(2,985,152)	(2,417,380)
Interest received		51,228	65,417
Interest paid		(64,594)	-
Other revenue		415,001	294,834
		<hr/>	<hr/>
Net cash provided by (used in) operating activities	17b	(61,068)	411,745
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(2,259,548)	(96,741)
Proceeds on sale of fixed assets		-	21,363
		<hr/>	<hr/>
Net cash provided by (used in) investing activities		(2,259,548)	(75,378)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from Borrowings		1,080,000	-
Repayment of Borrowings		(17,254)	-
		<hr/>	<hr/>
Net cash provided by (used in) financing activities		1,062,746	-
		<hr/>	<hr/>
Net increase/(decrease) in cash held		(1,257,870)	336,367
Cash at beginning of year		1,873,236	1,536,869
		<hr/>	<hr/>
Cash at end of year	17a	615,366	1,873,236

The accompanying notes form part of these financial statements.

**HEALTH SERVICES UNION
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 2011**

	2011	2010
	\$	\$
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc	-	-
Interest received on recovered money	-	-
	<hr/>	<hr/>
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:-		
- 12 months or less	-	-
- greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:-		
- the reporting unit	-	-
- other entity	-	-
Deductions of fees or reimbursements of expenses	-	-
Payments to workers in respect of recovered money	-	-
	<hr/>	<hr/>
Total payments	-	-
Cash assets in respect of recovered money at end of year	<hr/>	<hr/>

The accompanying notes form part of these financial statements.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements cover the Health Services Union, Victorian No. 2 Branch as an individual entity.

Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations and the Fair Work (Registered Organisations) Act 2009.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements 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 statements have been prepared on an accruals basis and are 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.

Property, leasehold improvements and plant and equipment are measured on the cost basis.

The carrying amount of property, 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
VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

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:

Class of Fixed Assets	Depreciation Rate
Building and Improvements	2.5% - 12.5%
Leasehold improvements	10%
Plant and equipment	10% - 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 RDO 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. Financial Instruments

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the Union becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Union commits itself to either purchase or sell the asset (ie trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs except where the instrument is classified at fair value through profit or loss in which case transaction costs are expensed to profit or loss immediately.

Classification and subsequent measurement

Financial instruments are subsequently measured at fair value, or amortised cost using the effective method or cost. Fair value represents the amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties. Where available, quoted prices in an active market are used to determine fair value. In other circumstances, valuation techniques are adopted.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

Amortised cost is calculated as:

- i) the amount at which the financial asset or financial liability is measured at initial recognition
- ii) less principal repayments
- iii) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest method; and
- iv) less any reduction for impairment.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that exactly discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

The Union does not designate any interests in subsidiaries, associates or joint venture entities as being subject to the requirements of accounting standards specifically applicable to financial instruments.

i) **Financial assets at fair value through profit or loss**

Financial assets are classified at 'fair value through profit or loss' when they are held for trading for the purpose of short-term profit taking, where they are derivatives not held for hedging purposes, or when they are designated as such to avoid an accounting mismatch or to enable performance evaluation where a group of financial assets is managed by key management personnel on a fair value basis in accordance with a documented risk management or investment strategy. Such assets are subsequently measured at fair value with changes in carrying value being included in profit or loss.

ii) **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Loans and receivables are included in current assets, except for those which are not expected to mature within 12 months after the end of the reporting period, which will be classified as non-current assets.

iii) **Held-to-maturity investments**

Held-to-maturity investments are non-derivative financial assets that have fixed maturities and fixed or determinable payments, and it is the Union's intention to hold these investments to maturity. They are subsequently measured at amortised cost using the effective interest rate method.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

e. Financial Instruments continued

Held-to-maturity investments are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period, which will be classified as current assets.

If during the period the Union sold or reclassified more than an insignificant amount of the held-to-maturity investments before maturity, the entire category of held-to-maturity investments would be tainted and would be reclassified as available-for-sale.

iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not capable of being classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

Available-for-sale financial assets are included in non-current assets, except for those which are expected to be disposed of within 12 months after the end of the reporting period, which will be classified as current assets.

v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost.

Fair Value

Fair value is determined based on current bid prices for all quoted investments. Valuation techniques are applied to determine the fair value for all unlisted securities, including recent arm's length transactions, reference to similar instruments and option pricing models.

Impairment

At each reporting date, the Union assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the statement of comprehensive income.

Derecognition

Financial assets are derecognised where the contractual right to receipt of cash flows expires or the asset is transferred to another party whereby the Union no longer has any significant continuing involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are either discharged, cancelled or expire. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

f. Cash and Cash Equivalents

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

g. 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).

h. 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.

i. Comparative Figures

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

j. Impairment of Assets

At each reporting date, the Union reviews the carrying value of the tangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

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

k. Critical Accounting Estimates and Judgements

The Committee of Management members 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 Reporting Unit 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 Judgments

No key judgments have been used in the preparation of this financial report.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods

The Australian Accounting Standards Board has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods and which the Union has decided not to early adopt. A discussion of those future requirements and their impact on the Union is as follows:

AASB 9: Financial Instruments [December 2010] (applicable for annual reporting periods commencing on or after 1 January 2013).

This Standard is applicable retrospectively and includes revised requirements for the classification and measurement of financial instruments, as well as recognition and derecognition requirements for financial instruments. The Union has not yet determined any potential impact on the financial statements.

The key changes made to accounting requirements include:

- simplifying the classifications of financial assets into those carried at amortised cost and those carried at fair value;
- simplifying the requirements for embedded derivatives;
- removing the tainting rules associated with held-to-maturity assets;
- removing the requirements to separate and fair value embedded derivatives for financial assets carried at amortised cost;
- allowing an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument;
- requiring financial assets to be reclassified where there is a change in an entity's business model as they are initially classified based on: (a) the objective of the entity's business model for managing the financial assets; and (b) the characteristics of the contractual cash flows; and
- requiring an entity that chooses to measure a financial liability at fair value to present the portion of the change in its fair value due to changes in the entity's own credit risk in the other comprehensive income, except when that would create an accounting mismatch. If such a mismatch would be created or enlarged, the entity is required to present all changes in fair value (including the effects of changes in the credit risk of the liability) in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 124: Related Party Disclosures (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard removes the requirement for government-related entities to disclose details of all transactions with the government and other government-related entities and clarifies the definition of a "related party" to remove inconsistencies and simplify the structure of the Standard. No changes are expected to materially affect the Union.

AASB 1053: Application of Tiers of Australian Accounting Standards and AASB 2010-2: Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052] (applicable for annual reporting periods commencing on or after 1 July 2013).

AASB 1053 establishes a revised differential financial reporting framework consisting of two tiers of financial reporting requirements for those entities preparing general purpose financial statements:

- Tier 1: Australian Accounting Standards; and
- Tier 2: Australian Accounting Standards – Reduced Disclosure Requirements.

Tier 2 of the framework comprises the recognition, measurement and presentation requirements of Tier 1, but contains significantly fewer disclosure requirements.

Since the Union is a not-for-profit private sector entity, the Union may qualify for the reduced disclosure requirements for Tier 2 entities. It is anticipated that the Union may take advantage of Tier 2 reporting at a later date.

AASB 2009-12: Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard makes a number of editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. The Standard also amends AASB 8 to require entities to exercise judgment in assessing whether a government and entities known to be under the control of that government are considered a single customer for the purposes of certain operating segment disclosures. The amendments are not expected to impact the Union.

AASB 2009-14: Amendments to Australian Interpretation – Prepayments of a Minimum Funding Requirement [AASB Interpretation 14] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard amends Interpretation 14 to address unintended consequences that can arise from the previous accounting requirements when an entity prepays future contributions into a defined benefit pension plan. This Standard is not expected to impact the Union.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 2010-4: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13] (applicable for annual reporting periods commencing on or after 1 January 2011).

This Standard details numerous non-urgent but necessary changes to Accounting Standards arising from the IASB's annual improvements project. Key changes include:

- clarifying the application of AASB 108 prior to an entity's first Australian-Accounting-Standards financial statements;
- amending ASB 7 to add an explicit statement that qualitative disclosures should be made in the context of the quantitative disclosures to better enable users to evaluate an entity's exposure to risks arising from financial instruments;
- amending AASB 101 to the effect that disaggregation of changes in each component of equity arising from transactions recognised in other comprehensive income is required to be presented, but is permitted to be presented in the statement of changes in equity or in the notes;
- adding a number of examples to the list of events or transactions that require disclosure under AASB 134; and
- adding sundry editorial amendments to various Standards and interpretations.

This Standard is not expected to impact the Union.

AASB 2010-5: Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042] (applicable for annual reporting periods beginning on or after 1 January 2011).

This Standard makes numerous editorial amendments to a range of Australian Accounting Standards and Interpretations, including amendments to reflect changes made to the text of IFRSs by the IASB. However, these editorial amendments have no major impact on the requirements of the respective amended pronouncements.

AASB 2010-6: Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets [AASB 1 & AASB 7] (applicable for annual reporting periods beginning on or after 1 July 2011).

This Standard adds and amends disclosure requirements about transfers of financial assets, especially those in respect of the nature of the financial assets involved and the risks associated with them. Accordingly, this Standard make amendments to AASB 1: First-time Adoption of Australian Accounting Standards, and AASB 7: Financial Instruments: Disclosures, establishing additional disclosure requirements in relation to transfers of financial assets.

This Standard is not expected to impact the Union.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to a range of Australian Accounting Standards and Interpretations as a consequence of the issuance of AASB 9: Financial Instruments in December 2010. Accordingly, these amendments will only apply when the entity adopts AASB 9.

As noted above, the Union has not yet determined any potential impact on the financial statements from adopting AASB 9.

AASB 2010-8: Amendments to Australian Accounting Standards – Deferred Tax: Recovery of Underlying Assets [AASB 112] (applies to periods beginning on or after 1 January 2012).

This Standard makes amendments to AASB 112: Income Taxes.

The amendments brought in by this Standard introduce a more practical approach for measuring deferred tax liabilities and deferred tax assets when investment property is measured using the fair value model under AASB 140: Investment Property.

Under the current AASB 112, the measurement of deferred tax liabilities and deferred tax assets depends on whether an entity expects to recover an asset by using it or by selling it. The amendments introduce a presumption that an investment property is recovered entirely through sale. This presumption is rebutted if the investment property is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

The amendments brought in by this Standard also incorporate Interpretation 121 into AASB 112.

The amendments are not expected to impact the Union.

AASB 2010-9: Amendments to Australian Accounting Standards – Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters [AASB 1] (applies to periods beginning on or after 1 July 2011).

This Standard makes amendments to AASB 1: First-time Adoption of Australian Accounting Standards.

The amendments brought in by this Standard provide relief for first-time adopters of Australian Accounting Standards from having to reconstruct transactions that occurred before their date of transition to Australian Accounting Standards.

Furthermore, the amendments brought in by this Standard also provide guidance for entities emerging from severe hyperinflation either to resume presenting Australian-Accounting-Standards financial statements or to present Australian-Accounting-Standards financial statements for the first time.

This Standard is not expected to impact the Union.

**HEALTH SERVICES UNION
VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES continued

I. New Accounting Standards for Application in Future Periods continued

AASB 2010-10: Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters [AASB 2009-11 & AASB 2010-7] (applies to periods beginning on or after 1 January 2013).

This Standard makes amendments to AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9; and AASB 2010-7: Amendments to Australian Accounting Standards arising from AASB 9 (December 2010).

The amendments brought in by this Standard ultimately affect AASB 1: First-time Adoption of Australian Accounting Standards and provide relief for first-time adopters from having to reconstruct transactions that occurred before their transition date.

[The amendments to AASB 2009-11 will only affect early adopters of AASB 2009-11 (and AASB 9: Financial Instruments that was issued in December 2009) as it has been superseded by AASB 2010-7.]

This Standard is not expected to impact the Union.

HEALTH SERVICES UNION
VICTORIAN NO. 2 BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR FAIR WORK AUSTRALIA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of Section 272 of the Act which read as follows: -

1. A member of a reporting unit, or Fair Work Australia, 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).

	2011	2010
	\$	\$
NOTE 3: REVENUE		
Operating activities		
Subscriptions	2,522,449	2,493,173
Interest received	47,195	62,919
Other	457,144	307,429
	<u>3,026,788</u>	<u>2,863,521</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
NOTE 4: PROFIT FOR YEAR		
Profit for year before income tax expense has been determined after:		
Expenses:		
Administration expense		
Bank Charges	39,144	41,483
Computer software & expenses	16,629	19,793
Deputations, conferences, meetings & travel	101,948	121,561
Donations		
- APHEDA	-	10,250
- Cancer council	-	100
- ALP	9000	-
- Leukaemia Foundation	91	-
Insurance	107,224	102,143
Motor Vehicle Expenses & parking	67,838	80,146
Newspapers, awards & subscriptions	2,085	5,054
Office Equipment & building maintenance	12,153	4,073
Postage and Courier	51,456	49,623
Printing, stationery & publicity	93,502	53,821
Professional services		
- audit	14,995	13,200
- consultants	43,251	5,922
- legal	96,911	33,052
Promotion	16,219	81,920
Sponsorship	12,379	2,413
Training expenses	29,661	20,155
Sundry expenses	49,584	24,295
	<u>764,070</u>	<u>669,004</u>

**HEALTH SERVICES UNION
VICTORIAN NO. 2 BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
NOTE 4: PROFIT FOR YEAR continued		
Affiliation, capitation fees and compulsory levies		
Affiliation fees:		
- APHEDA	236	236
- Australian Labor Party	24,129	21,192
- Trades and Labor Councils		
-Ballarat	2,562	1,754
-Bendigo	246	280
-Geelong	831	1,254
-Gippsland	589	424
-Goulburn Valley	130	92
-Mallee	404	370
-South West	371	322
-Victorian Trades Hall	7,593	14,787
-Tasmania	-	1,186
-North East	400	300
Capitation fees:		
- Health Services Union of Australia National Council	116,094	146,887
	<u>153,585</u>	<u>189,084</u>
Depreciation and amortisation expenses		
Depreciation of plant and equipment	47,497	6,064
Amortisation of leasehold improvements	-	47,405
Depreciation of building	40,817	-
	<u>88,314</u>	<u>53,469</u>
Employee benefits expense		
Salaries and allowances		
- elected officials	206,650	200,636
- employees	1,290,495	1,168,171
Superannuation contributions		
- elected officials	30,997	29,915
- employees	146,352	128,386
Provision for annual leave		
- elected officials	(10,493)	(8,959)
- employees	1,269	23,919
Provision for long service leave		
- elected officials	8,555	7,613
- employees	13,324	22,348
Provision for rostered days off		
- elected officials	2270	(1,654)
- employees	4771	(9,997)
Other	139,373	120,285
	<u>1,833,563</u>	<u>1,680,663</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
NOTE 5: CASH AND CASH EQUIVALENTS		
Cash on hand	1,100	1,100
Cash at bank	614,266	1,390,266
Cash on deposit	-	481,870
	615,366	1,873,236

NOTE 6: TRADE AND OTHER RECEIVABLES

Sundry debtors	98,522	56,379
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(i) Provision for Impairment of Receivables

Current trade receivables are generally on 30-day terms. These receivables are assessed for recoverability and a provision for impairment is recognised when there is objective evidence that an individual trade receivable is impaired. These amounts have been included in other expense items.

Movement in the provision for impairment of receivables is as follows:

Provision for impairment as at 1 July 2009		\$ -
- Charge for the year		-
- Written off		-
Provision for impairment as at 30 June 2010		-
- Charge for the year		-
- Written off		-
Provision for impairment as at 30 June 2011		-

(ii) Credit Risk – Trade and Other Receivables

The Union does not have any material credit risk exposure to any single receivable or group of receivables.

The Union's trade and other receivables are within initial trade terms and are considered to be of high credit quality.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
NOTE 7: OTHER CURRENT ASSETS		
Prepayments	<u>98,930</u>	<u>8,114</u>
 NOTE 8: PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements		
Leasehold improvements at cost	-	171,515
Less: accumulated amortisation	-	<u>(152,043)</u>
	<u>-</u>	<u>19,472</u>
 Building and improvements		
Building and improvements at cost	2,117,754	-
Less: accumulated depreciation	<u>(40,817)</u>	-
	<u>2,076,937</u>	-
 Plant and equipment		
Plant and equipment at cost	534,896	574,548
Less: accumulated depreciation	<u>(264,226)</u>	<u>(381,173)</u>
	<u>270,670</u>	<u>193,375</u>
	<u>2,347,607</u>	<u>212,847</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

	Building and improvements	Leasehold improvements \$	Plant and equipment \$	Total \$
Balance at the beginning of year	-	19,472	193,375	212,847
Additions	2,117,754	-	141,794	2,259,548
Disposals	-	(19,472)	(17,002)	(36,474)
Depreciation expense	<u>(40,817)</u>	-	<u>(47,497)</u>	<u>(88,314)</u>
Carrying amount at the end of year	<u>2,076,937</u>	<u>-</u>	<u>270,670</u>	<u>2,347,607</u>

**HEALTH SERVICES UNION
VICTORIAN NO. 2 BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 \$	2010 \$
NOTE 9: TRADE AND OTHER PAYABLES		
Sundry creditors	<u>191,971</u>	<u>247,921</u>

NOTE 10: PROVISIONS

Analysis of Total Provisions

Employee entitlements		
Provision for annual leave		
- elected officials	16,394	26,887
- employees	<u>87,150</u>	<u>85,881</u>
	<u>103,544</u>	<u>112,768</u>
Provision for long service leave		
- elected officials	92,134	83,579
- employees	<u>92,134</u>	<u>78,810</u>
	<u>184,268</u>	<u>162,389</u>
Provision for rostered days off		
- elected officials	3,899	1,629
- employees	<u>10,487</u>	<u>5,716</u>
	<u>14,386</u>	<u>7,345</u>
Total employee entitlements	<u>302,198</u>	<u>282,502</u>
Number of employees at year end	<u>22</u>	<u>23</u>

	RDO \$	Annual Leave \$	Long Service Leave \$	Total \$
Balance at 30 June 2010	7,345	112,768	162,389	282,502
Additional provisions raised during the year	44,728	161,873	51,853	258,454
Amounts used	<u>(37,687)</u>	<u>(171,097)</u>	<u>(29,974)</u>	<u>(238,758)</u>
Balance at 30 June 2011	<u>14,386</u>	<u>103,544</u>	<u>184,268</u>	<u>302,198</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 10: PROVISIONS continued

	2011	2010
	\$	\$
Analysis of Total Provisions		
Current	<u>302,198</u>	<u>282,502</u>
	<u>302,198</u>	<u>282,502</u>

NOTE 11: BORROWINGS

CURRENT

Bank Loan – Members Equity	<u>23,796</u>	<u>-</u>
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NON-CURRENT

Bank Loan – Members Equity	<u>1,038,950</u>	<u>-</u>
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Total Borrowings	<u>1,062,746</u>	<u>-</u>
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Security over the bank loan includes a first registered mortgage over the property located at 1-7 Grattan Street Carlton Victoria, shown in the financial statements under Note 8 Building and Improvements with a carrying amount of \$2,076,937 at 30 June 2011.

NOTE 12: CONTINGENT LIABILITIES

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

HEALTH SERVICES UNION
VICTORIAN NO. 2 BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

**NOTE 13: 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 (term expired 19 August 2010)
Paul Healey	President (elected 19 August 2010)
Bella Anderson	Senior Vice President (term expired 19 August 2010)
Debbie Gunn	Senior Vice President (elected 19 August 2010)
Paul Healey	Junior Vice President (term expired 19 August 2010)
Brian Addison	Junior Vice President (elected 19 August 2010)
Lloyd Williams	Branch Secretary
Denise Guppy	Assistant Branch Secretary
Dianne Welton	Trustee
Brian Addison	Trustee (term expired 19 August 2010)
Kim Lindsay	Trustee (elected 19 August 2010)
John Murphy	Committee Member
Patrick Nuzum	Committee Member
Bernadette Gambin	Committee Member (term expired 19 August 2010)
Mavis Jack	Committee Member
Tina Grimes	Committee Member (term expired 19 August 2010)
Joanne Petrenko	Committee Member (term expired 19 August 2010)
Sue Van Der Wiel	Committee Member (term expired 19 August 2010)
Sarah Barnard	Committee Member
Katy Curtis	Committee Member (elected 19 August 2010)
Angela Landmann	Committee Member (elected 19 August 2010)
Bella Anderson	Committee Member (elected 19 August 2010)
Kerrie Oldham	Committee Member (elected 19 August 2010)

- a. The aggregate amount of remuneration paid to elected officials during the financial year for salaries was \$206,650 (2010 \$200,636)

The aggregate amount paid during the financial year to a superannuation plan in connection with the retirement of elected officials was \$30,997. (2010: \$29,915)

- 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 \$137,505 and superannuation \$13,399 (2010: salaries \$4,055 and superannuation \$339).

Remuneration paid to other persons on the committee of management in the form of honorariums was \$0 (2010: \$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
VICTORIAN NO. 2 BRANCH
ABN 48 505 905 580**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 14: 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 15: 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.

NOTE 16: EVENTS SUBSEQUENT TO REPORTING DATE

There were no significant events subsequent to reporting date.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

	2011	2010
	\$	\$
NOTE 17: CASH FLOW INFORMATION		
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	1,100	1,100
Cash at bank	614,266	1,390,266
Cash on deposit	-	481,870
	<u>615,366</u>	<u>1,873,236</u>
b. Reconciliation of Cash Flow from Operations with Net Profit attributable to members		
Net profit	(16,643)	173,915
Non-cash flows in profit:		
Depreciation	88,314	53,469
Net loss on disposal of fixed assets	36,474	5,852
Changes in assets and liabilities:		
(Increase)/decrease in receivables	(42,143)	(5,702)
(Increase)/decrease in other assets	(90,816)	66,939
Increase/(decrease) in trade and other payables	(55,950)	84,001
Increase/(decrease) in provisions	19,696	33,270
	<u>(61,068)</u>	<u>411,745</u>
c. The Union has no credit stand-by or financing facilities in place other than disclosed in the financial report.		
d. There were no non-cash financing or investing activities during the period.		

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 18: FINANCIAL RISK MANAGEMENT

The Union's financial instruments consist mainly of deposits with banks, local money market instruments, short-term investments, accounts receivable and payable and bank borrowings.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	2011 \$	2010 \$
Financial assets		
Cash and cash equivalents	615,366	1,873,236
Loans and receivables	98,522	56,379
Total financial assets	<u>713,888</u>	<u>1,929,615</u>
Financial liabilities		
Trade and other payables	191,971	247,921
Borrowings	1,062,746	-
Total financial liabilities	<u>1,254,717</u>	<u>247,921</u>

Financial Risk Management Policies

The Union's treasurer is responsible for, among other issues, monitoring and managing financial risk exposures of the Union. The treasurer monitors the Union's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held bi-monthly and minuted by the committee of management.

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

Specific Financial Risk Exposures and Management

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

a. Credit risk

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

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

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

NOTE 18: FINANCIAL RISK MANAGEMENT continued

a. Credit risk continued

Credit risk exposures

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

There is no collateral held by the Union securing trade and other receivables.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 6.

The Union has no significant concentration of credit risk with any single counterparty or group of counterparties. Details with respect to credit risk of trade and other receivables are provided in Note 6.

b. Liquidity risk

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

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

Financial assets pledged as collateral

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

The table that follows reflects an undiscounted contractual maturity analysis for financial assets and liabilities. Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 18: FINANCIAL RISK MANAGEMENT continued

b. Liquidity risk continued

	Within 1 Year \$	1 to 5 Years \$	Over 5 Years \$	Total \$
2011				
Financial Assets				
Cash and cash equivalents	615,366	-	-	615,366
Receivables	98,522	-	-	98,522
Total anticipated inflows	<u>713,888</u>	<u>-</u>	<u>-</u>	<u>713,888</u>
Financial Liabilities				
Trade and other payables	191,971	-	-	191,971
Bank Loan	23,796	117,591	921,359	1,062,746
Total expected outflows	<u>215,767</u>	<u>117,591</u>	<u>921,359</u>	<u>1,254,717</u>
Net inflow/(outflow) on financial instruments	<u>498,121</u>	<u>(117,591)</u>	<u>(921,359)</u>	<u>(540,829)</u>
2010				
Financial Assets				
Cash and cash equivalents	1,873,236	-	-	1,873,236
Receivables	56,379	-	-	56,379
Total anticipated inflows	<u>1,929,615</u>	<u>-</u>	<u>-</u>	<u>1,929,615</u>
Financial Liabilities				
Trade and other payables	247,921	-	-	247,921
Bank Loan	-	-	-	-
Total expected outflows	<u>247,921</u>	<u>-</u>	<u>-</u>	<u>247,921</u>
Net inflow/(outflow) on financial instruments	<u>1,681,694</u>	<u>-</u>	<u>-</u>	<u>1,681,694</u>

c. Market risk

(i) *Interest rate risk*

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

(ii) *Price risk*

Price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices of securities held.

The Union is not exposed to securities price risk on available-for-sale investments.

The Union's investments are held in diversified management fund portfolios.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

NOTE 18: FINANCIAL RISK MANAGEMENT continued

c. Market risk continued

Sensitivity analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates. The table indicates the impact on how profit and equity values reporting at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit	Equity
	\$	\$
Year ended 30 June 2011		
+/- 1% in interest rates basis points – cash and cash equivalents	6,154	6,154
+/- 1% in interest rates basis points – borrowings	<u>(10,627)</u>	<u>(10,627)</u>
	<u>(4,473)</u>	<u>(4,473)</u>
 Year ended 30 June 2010		
+/- 1% in interest rates basis points – cash and cash equivalents	<u>18,732</u>	<u>18,732</u>

NOTE 19: ENTITY DETAILS

The registered office is:
Health Services Union
Victorian No. 2 Branch
7 Grattan Street
Carlton Vic. 3053

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

COMMITTEE OF MANAGEMENT CERTIFICATE

On 25 August 2011 the Committee of Management of the Health Services Union 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 2011:

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 Fair Work Australia;
- (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 Act and the 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 Fair Work Australia duly made under section 272 of the Act has been furnished to the member or Fair Work Australia; and
 - (vi) there has been compliance with any order for inspection of financial reports made by the Fair Work Australia under section 273 of the Act.

HEALTH SERVICES UNION
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 Fair Work Australia; and
 - (ii) the committee of management caused the auditor to include in the scope of the audit required under subsection 257(1) of the Act 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:

Dated: 25/8/2011

Melbourne

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

Report on the financial report

We have audited the accompanying financial report of Health Services Union Victorian No 2 Branch (the reporting unit), which comprises the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and the statement of cash flows 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 Fair Work (Registered Organisations) Act 2009. This responsibility includes 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.

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
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 Fair Work (Registered Organisations) Act 2009, other requirements imposed by these Reporting Guidelines or Part 3 of Chapter 8 of the Act, including:
 - (i) presenting fairly the reporting unit's financial position as at 30 June 2011 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 Fair Work Australia, 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 25 August 2011

**COMPILATION REPORT
TO HEALTH SERVICES UNION
VICTORIAN NO. 2 BRANCH**

Scope

We have compiled the accompanying special purpose financial statements of the Health Services Union Number 2 Branch which comprises the attached detailed income and expenditure statement for the year ended 30 June 2011. The specific purposes for which the special purpose financial statements have been prepared is to provide information relating to the performance of the entity that satisfies the information needs of the committee of management.

The Responsibility of the Committee of Management

The committee of management is solely responsible for the information contained in the special purpose financial statement and has determined that the basis of accounting adopted is appropriate to meet its needs and for the purpose that the financial statements were prepared.

Our Responsibility

On the basis of information provided by the committee of management we have compiled the accompanying special purpose financial statement in accordance with the basis of accounting and APES 315: Compilation of Financial Information.

Our procedures use accounting expertise to collect, classify and summarise the financial information which the committee members provided, in compiling the financial statements. Our procedures do not include verification or validation procedures. No audit or review has been performed and accordingly no assurance is expressed.

The special purpose financial statement was compiled exclusively for the benefit of the committee of management. We do not accept responsibility to any other person for the contents of the special purpose financial report.

MSI Ragg Weir

MSI RAGG WEIR
Chartered Accountants

Melbourne: 25 August 2011



Fair Work Australia

6 January 2012

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

Email - hacsu@hacsu.asn.au

Dear Mr Williams,

Re: Financial Report – Health Services Union - Victoria No 2 Branch - FR2011/2730
Fair Work (Registered Organisations) Act 2009 (RO Act)

The Financial Report and Concise Report for the Victoria No 2 Branch of the Health Services Union was lodged on 12 December 2011.

The documents have been filed.

Donation

The lodged documents disclosed a donation of \$9,000 to the 'ALP'.

Please lodge by Friday 20 January 2012 a statement setting out the relevant particulars of this donation in accordance with s.237 of the RO Act.

If you have any queries regarding the above please contact me on (03) 8661 7990 or at andrew.schultz@fwa.gov.au.

Yours faithfully,

Andrew Schultz
Organisations, Research and Advice