



FAIR WORK
AUSTRALIA

29 March 2011

Mr Michael Williamson
General Secretary
HSU East Branch
Level 2
109 Pitt Street
SYDNEY NSW 2000

Dear Mr Williamson,

**Financial reports for the year ended 24 May 2010
Victoria No.3 Branch - FR2010/2719**

I acknowledge receipt of the financial report of the Health Services Union - Victoria No.3 Branch for the year ended 24 May 2010. The documents were lodged with Fair Work Australia on 24 December 2010.

Subsequent to correspondence from this office, I acknowledge receipt of supplementary documents on 10 February 2011, which included s.268 Certificate, Committee of Management Statement and Operating Report for the Branch. I acknowledge receipt of information regarding the concise report provided to members on 7 March 2011.

On 10 March 2011 this office raised with the organisation, concerns regarding the provision of a concise report to members. I acknowledge receipt on 18 March 2011 of an amended s.268 Certificate which states that a full report was provided to members on 16 March 2011.

The financial report has now been filed.

I have attached an addendum for your consideration in which I make comments with regard to the financial report lodged. Whilst it is acknowledged that the Victoria No.3 Branch will no longer be preparing financial reports due to the merger on 24 May 2010 with the New South Wales Branch of the HSU, it is important that comments made in the addendum are noted.

Should you wish to discuss the matters raised in this letter or if you require further information on the financial reporting requirements of the *Fair Work (Registered Organisations) Act 2009*, I may be contacted on (03) 8661 7775 or by email at erin.bulluss@fwa.gov.au.

Yours sincerely,

Erin Bulluss
Tribunal Services and Organisations
Fair Work Australia

11 Exhibition Street Telephone: (03) 8661 7777
Melbourne VIC 3000 International: (613) 8661 7777
GPO Box 1994 Facsimile: (03) 9655 0401
Melbourne VIC 3001 Email: melbourne@fwa.gov.au

Addendum to the Financial Reports for the Health Services Union - Victoria No.3 Branch for the year ended 24 May 2010 (FR2010/2719)

The following comments are raised for your information and action when preparing any financial reports for lodging with FWA.

Timescale Requirements:

I have examined the financial documents, and it appears that the reporting unit has failed to comply with a number of legislated dates for financial reporting. I understand that the specific circumstances with regards to the preparation of these financial documents, namely the merger of the Victoria No.1 and Victoria No.3 Branches with the New South Wales Branch, has impacted on the ability of the Branch to adhere to the requirements. Nonetheless, I draw your attention to a number of matters in the present report which must be taken into account in future years to ensure compliance with the *Fair Work (Registered Organisations) Act 2009* (the RO Act); particularly given the sections identified are civil penalty provisions - see [s.305](#) of the RO Act.

Documents must be lodged with Fair Work Australia within 14 days of Meeting

The Designated Officers Certificate lodged under [s.268](#) of the RO Act notes that the financial documents were presented to a Committee of Management meeting on 19 November 2010. These documents were not lodged with Fair Work Australia until 24 December 2010.

[Section 268](#) of the RO Act stipulates that documents must be lodged with Fair Work Australia within **14 days** of the meeting at which they are presented. Please ensure that in future financial years, the financial documents are lodged within the 14 day requirement.

Reports must be provided to Members within 5 months of end of financial year where report is presented before Committee of Management meeting

The Designated Officers Certificate lodged under [s.268](#) states that the full report was presented to a meeting of the Committee of Management of the Branch on 19 November 2010.

Where the full report is presented to a committee of management meeting, it must be provided to members **within 5 months** of the end of the financial year - see subsection [265\(5\)\(b\)](#) of the RO Act.

It is noted that this did not occur within the timeframe. Members were not provided with the concise financial report until 4 February 2011. In future years, please ensure that where a report is presented before a Committee of Management meeting, members are provided with copies of the full or concise report **within 5 months** of the end of the financial year of the Branch.

Committee of Management Statement must be audited

The Committee of Management Statement lodged with the financial report is dated 4 February 2011, which is after the statements were audited (on 16 November 2010).

[Section 257\(1\)](#) of the RO Act requires the full report, which includes the Committee of Management Statement, to be audited. Please ensure for future years that the audited accounts include the Committee of Management Statement.

Audit report

The auditor's report provided with the financial documents does not outline the qualifications of the auditors when preparing their report.

[Regulation 4](#) of the *Fair Work (Registered Organisations) Regulations 2009* (the Regulations) defines an approved auditor as a person who is a member of CPA Australia, The Institute of Chartered Accountants in Australia or the National Institute of Accountants and holds a current Public Practice Certificate. In all likelihood the auditor is such a person. However, it is our preference that this is made explicit in future auditor's reports.

Recognition of revenue

[Section 252](#) of the RO Act places obligations upon organisations to **keep** financial records. Under [section 252\(4\)](#) an organisation may **keep** the financial records for its membership subscriptions on a **cash** basis.

The requirement to **keep** financial records is distinct from the obligation under [section 253](#) to **prepare** a general purpose financial report (GPFR). [Section 253](#) requires that ‘...a reporting unit must cause a general purpose financial report to be **prepared**, in accordance with the Australian Accounting Standards, from the financial records kept under subsection 252(1) in relation to the financial year...’ (my emphasis).

Paragraph 27 of AASB 101 states that ‘an entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting’.

When read together [sections 252](#) and [253](#) of the RO Act require that, while some financial records may be **kept** on a cash basis, a GPFR must be **prepared** on an accrual basis whether or not records were kept on a cash or accrual basis.

Note 1(b) to the financial statements of the Branch states that ‘[m]embership contributions are accounted for on a cash basis, otherwise the concept of accruals accounting has been adopted in the preparation of these accounts’.

This appears to indicate that the subscriptions have been reported in the financial statements on a **cash** basis. In future the GPFR should be prepared on an **accrual** basis. It is further noted that this will result in a change of accounting policy that will need to be disclosed in accordance with AASB 108 (Accounting Policies, Changes in Accounting Estimates and Errors). You may need to discuss this with your auditor.

Operating report - period of office

[Regulation 159\(c\)](#) of the Regulations provides that the Operating Report should contain the name of each person who has been a member of the Committee of Management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position.

I note the Operating Report does not comply with this requirement. In future years, please ensure that the period for which each person held their respective position is noted in the Operating Report.

Donations

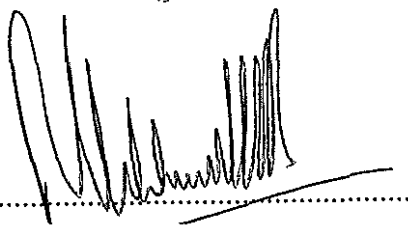
Note 13 to the financial statements lists a donation totalling \$5,000.00 to Australia Bringing Hope Incorporated. I note the Branch has been in contact with this office, and it has been confirmed that this amount was incorrectly categorised as a donation rather than a fee for service, during the preparation of the documents.

If this is incorrect, and the amount is indeed a donation, I reiterate that under s.237(1) of the RO Act, if an individual donation, grant or loan exceeds \$1000 a statement showing the relevant particulars of each must be lodged with Fair Work Australia. The statement must be signed by an officer of the Branch and must show the amount of each donation, the purpose for which it was made and, unless it was made to relieve a member of the organisation or their dependants from severe financial hardship, the name and address of the person to whom a donation is made. A [sample statement](#) is located on the Fair Work Australia website.

SECTION 268 CERTIFICATE

I, Michael Williamson, General Secretary of the Health Services Union East Branch, certify that in respect of the Health Services Union – Victoria No.3 Branch:

- That the documents lodged herewith for the period ended 24th May 2010 are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- That the full report was provided to members on 16th March 2011 via our website; and
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 19th November 2010, in accordance with Section 266 of the Fair Work (Registered Organisations) Act 2009.



General Secretary – Michael Williamson

18/3/11

Date



FAIR WORK
AUSTRALIA

10 March 2011

Mr Michael Williamson
General Secretary
HSU East Branch
Level 2
109 Pitt Street
SYDNEY NSW 2000

Dear Mr Williamson,

Financial reports for the year ended 24 May 2010

Victoria No.3 Branch - FR2010/2719

New South Wales Branch - FR2010/2725

I acknowledge receipt of the financial reports of the Health Services Union - Victoria No.3 Branch and New South Wales Branch for the year ended 24 May 2010. The documents were lodged with Fair Work Australia on 24 December 2010.

Regarding Victoria No.3 Branch, I acknowledge receipt of supplementary documents on 10 February 2011, which included s.268 Certificate, Committee of Management Statement and Operating Report for the Branch. I acknowledge receipt of information regarding the concise report provided to members on 7 March 2011.

Regarding New South Wales Branch, I acknowledge receipt of a supplementary document on 10 February 2011 which included a section 268 Certificate. I acknowledge receipt of information regarding the concise report provided to members on 7 March 2011.

The financial report has not been filed.

I have examined the financial report and have identified a number of matters with regards to the provision of a concise report to members of both Branches, the details of which are set out below. These matters must be attended to before the financial reports can be filed.

HSU provision of concise reports

The Designated Officers Certificate lodged in accordance with [section 268](#) of the *Fair Work (Registered Organisations) Act 2009* (the RO Act) notes that a concise report was provided to members on 4 February 2011.

In correspondence received from your office on 7 March 2011, I was directed to the HSU East website (www.hsueast.com) to find copies of the concise reports for the Victoria No.3 and New South Wales Branches of the HSU, as provided to members.

I searched the website, and located financial documents via the "About Us" tab on the HSU East home page.

The concise report provided to members of the New South Wales Branch consisted of

- a statement of comprehensive income;
- a statement of financial position; and
- a statement of changes in accumulated funds.

The concise report provided to members of the Victoria No.3 Branch consisted of;

- an Income Statement;
- Balance Sheet; and
- Statement of Changes in Equity.

Requirements of concise reports

The provision of a concise report to members is governed by [section 265](#) of the *Fair Work (Registered Organisations) Act 2009* (the Act) and [regulation 161](#) of the *Fair Work (Registered Organisations) Regulations 2009* (the Regulations).

Where a concise report is provided to members, [section 265\(3\)](#) requires that the report consist of:

- a) a concise financial report for the year drawn up in accordance with the regulations; and
- b) the operating report for the year; and
- c) a statement by the auditor:
 - i. that the concise financial report has been audited; and
 - ii. whether, in the auditor's opinion, the concise financial report complies with the relevant Australian Accounting Standards; and
- d) a copy of anything included under subsection 257(5), (6) or (7) in the auditor's report on the full report; and
- e) a statement that the report is a concise report and that a copy of the full report and auditor's report will be sent to the member free of charge if the member asks for them.

[Regulation 161](#) of the *Fair Work (Registered Organisations) Regulations 2009* (the Regulations) stipulates disclosures which must be contained within concise reports. [Regulation 161](#) states that a concise financial report **must** include:

- a) the following financial statements presented as in the full report except for the omission of cross-references to notes to the financial statements in the full report:
 - i. a profit and loss statement for the financial year;
 - ii. a balance sheet for the end of the financial year;
 - iii. a statement of cash flows for the financial year; and
- b) disclosure of information for the preceding financial year corresponding to the disclosures made for the current financial year; and
- c) discussion and analysis of the principle factors affecting the financial performance, financial position and financial and investing activities of the reporting unit to assist the understanding of members; and
- d) any reports or statements mentioned in paragraph 253(2)(c) of the Act; and
- e) in addition to the statement required by paragraph 265(3)(e) of the Act, a statement that the concise report has been derived from the full report and cannot be expected to provide as full an understanding of the financial performance, financial position and financial and investing activities of the reporting unit as the full report; and
- f) the notice mentioned in subsection 272(5) of the Act.

The Branch has not complied with the requirements of [section 265\(3\)](#) or [regulation 161](#). These are breaches of the RO Act which can attract civil penalties (see [s.305](#)).

Recommended action

There are two actions which could be taken by the organisation to rectify the issues identified with the provision of a concise report to members.

Amend concise report and provide to members

Firstly, both Branches can undertake to amend the concise reports as provided to members to ensure compliance with the Act and Regulations.

The amended concise report would then need to be provided to members, and a new Designated Officers Certificate under [section 268](#) provided outlining the date at which members were provided with the amended concise report.

Provide full report to members as lodged

It should be noted that the provision of a concise report to members is not a mandatory requirement under the RO Act or Regulations. The Branches can provide the full report to members as lodged with Fair Work Australia on 24 December 2010. The additional documents requested by Fair Work Australia, including s.268 Certificate, Committee of Management Statement and Operating Report must be included in the provision of the financial documents to members.

If a full report is provided to members, a new Designated Officers Certificate under [section 268](#), outlining the date at which members were provided with the full report would need to be produced.

Please contact me if you have any queries in relation to this correspondence.

Yours sincerely,



Erin Bulluss
Tribunal Services and Organisations
Fair Work Australia
Tel: (03) 8661 7775
Email: erin.bulluss@fwa.gov.au

BULLUSS, Erin

From: BULLUSS, Erin
Sent: Friday, 4 March 2011 4:32 PM
To: 'satya.champness@hsueast.com'
Subject: Financial reports for the period ended 24 May 2010

Dear Mr Williamson,

I am in receipt of the financial records lodged with Fair Work Australia for the period ended 24 May 2010, for the New South Wales (FR2010/2725) and Victoria No.3 (FR2010/2719) Branches of the HSU.

The section 268 certificate lodged on 10 February 2011 with regard to both these financial documents states that “the concise report was provided to members on 4 February 2011”.

Section 268 of the *Fair Work (Registered Organisations) Act 2009* outlines the financial documents which must be lodged with Fair Work Australia. These documents include;

“(b) if a concise report was provide to members – a copy of the concise report;”

I am unable to file the financial documents until a copy of the concise reports provided to members of the New South Wales and Victoria No.3 Branches have been received.

Please contact me if you have any queries or wish to discuss the matter further.

Kind regards,

ERIN BULLUSS

Tribunal Services and Organisations

Fair Work Australia

Tel: 03 8661 7775

Fax: 03 9655 0410

erin.bulluss@fwa.gov.au

11 Exhibition Street, Melbourne Victoria 3000

GPO Box 1994, Melbourne Victoria 3001

www.fwa.gov.au

9 February 2011



Ailsa Carruthers
Team Manager
Tribunal Services and Organisations
Fair Work Australia
GPO Box 1994
MELBOURNE VIC 3001



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South Melbourne Vic 3205
Email: info@hsueast.com

Tel: 1300 478 679
Fax: 1300 329 478
Web: www.hsueast.com
E-mail: info@hsueast.com

Dear Ailsa,

Financial Reports for the period ended 24 May 2010 – FR2010/2725, FR2010/2721, FR2010/2719

Following on from your correspondence dated 7 January 2011 please find enclosed the documentation detailed below:

- Section 268 Certificates for the New South Wales Branch, Victoria No. 1 Branch and Victoria No. 3 Branch;
- Committee of Management Statements for Victoria No. 1 Branch and Victoria No. 3 Branch; and
- Operating Reports for Victoria No. 1 Branch and Victoria No. 3 Branch.

As covered in our conversation on 1 February 2011 the donations totalling \$6,741 made by Victoria No. 3 Branch do not include any amounts that require lodgement of a Statement of loans, grants and donations.

Please feel free to contact me on (02) 9229 4909 if you require any further information.

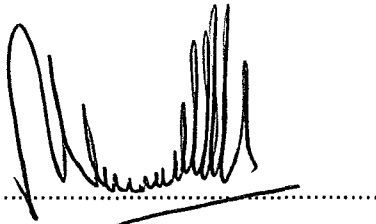
Yours sincerely
Health Services Union East Branch

Michael Williamson
General Secretary

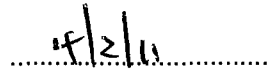
SECTION 268 CERTIFICATE

I, Michael Williamson, General Secretary of the Health Services Union East Branch, certify that in respect of the Health Services Union - Victoria No. 3 Branch:

- That the documents lodged herewith for the period ended 24 May 2010 are copies of the full report, referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- That the concise report was provided to members on 4 February 2011; and
- That the full report was presented to a meeting of the Committee of Management of the reporting unit on 19 November 2010, in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.



General Secretary – Michael Williamson



Date

HEALTH SERVICES UNION – VICTORIA NO.3 BRANCH

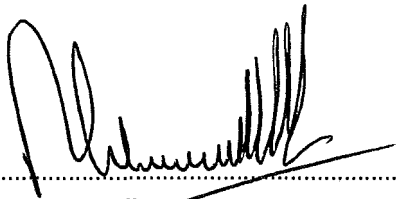
COMMITTEE OF MANAGEMENT'S STATEMENT

On 19 November 2010 the Committee of Management of the Health Services Union, Victoria No. 3 Branch, passed the following resolution in relation to the general purpose financial report (GPFR) of the Branch for the period ended 24 May 2010.

The Committee of Management declares in relation to the GPFR that to the best of its knowledge and belief:

- a) the financial report and notes comply with the Australian Accounting Standards;
- b) the financial report and notes comply with the reporting guidelines of the General Manager of Fair Work Australia;
- c) the financial report and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the period ended 24 May 2010;
- d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- e) during the reporting period ended 24 May 2010 and since the end of the period:
 - i) meetings of the Committee of Management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - iii) the financial affairs of the branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - iv) the financial records of the branch have been kept, as far as practicable, in a consistent manner to each of the other branches and national office of the organisation; and
 - v) no information has been sought in any request of a member of the Branch of the General Manager of Fair Work Australia under section 272 of the Fair Work (Registered Organisations) Act 2009; and
 - vi) no orders have been made by the Industrial Registry under section 273 of the Fair Work (Registered Organisations) Act 2009.
- f) During the period ended 24 May 2010 the branch did not participate in any recovery of wages activity.

For the Committee of Management:



Michael Williamson

4 February 2011

HEALTH SERVICES UNION – VICTORIA NO.3 BRANCH

OPERATING REPORT FOR THE PERIOD ENDED 24 MAY 2010

The Committee of Management presents its operating report of the Health Services Union, Victoria No.3 Branch for the reporting period ended 24 May 2010.

Principal Activities

The principal activity of the organisation during the year was that of a registered trade union. No significant change occurred in the nature of those activities during the year.

Operating Result

The surplus of the Branch for the reporting period amounted to \$83,901 (2009: surplus of \$236,472).

Significant Changes

During the period there was no significant change in the financial affairs of the organisation.

Rights of Members

All members have a right to resign in accordance with the Union's Registered Rules and section 174(1) of the Fair Work (Registered Organisations) Act 2009. In accordance with section 174(1) of the Fair Work (Registered Organisations) Act 2009 a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation. There was no change to this rule during the year.

Superannuation Office Holders

The following officers and/or members of the organisation are directors of companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation.

Officer/Member	Trustee Company	Entity/Scheme	Position
Katherine Jackson	H.E.S.T. Australia Limited	HESTA Superfund	Director

Other Prescribed Information

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

1. The number of members of the Branch at the end of the reporting period was 4,349.

2. The number of persons who were at the end of the reporting period employees of the organisation, including both full and part-time employees measured on a full-time equivalent basis was 12.
3. The names of each person who were members of the Committee of Management, at any time, during the reporting period are as follows:

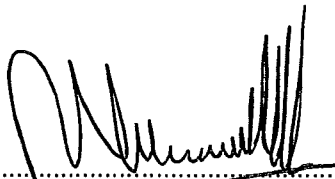
1 July 2009 to 24 May 2010


Katherine Jackson	Jenny Dunlop
Kate Wilkinson	Olga Gountras
Robert Matejin	Mark Hindson
Bryan Yeates	Lisa Magnusson
Reuben Dixon	Jennifer Croll
Adriana Vespucci	Lia Augoustakis
Stephen Sigismondi	Shane Brasier

Other Relevant Information

Nil

Signed in accordance with a resolution of the Committee of Management


.....
Michael Williamson


.....
Date



FAIR WORK
AUSTRALIA

7 January 2011

Mr Michael Williamson
General Secretary
HSU East Branch
Health Services Union
Level 2
109 Pitt Street
SYDNEY NSW 2000

Dear Mr Williamson,

Financial reports for the year ended 30th June 2010
New South Wales Branch – FR2010/2725
Victoria No.1 Branch - FR2010/2721
Victoria No.3 Branch - FR2010/2719

Receipt is acknowledged on 24 December 2010 of financial reports for the period 1 July 2010 to 24 May 2010 for the New South Wales Branch, the Victoria No.1 Branch and the Victoria No.3 Branch of the Health Services Union (**HSU**). The financial reports concern the financial year ended 30 June 2010 but relate to the period ending on 24 May 2010 due to an alteration to rules of the HSU was that signed on 24 May 2010. On that date the Victoria No.1 Branch and the Victoria No.3 Branch merged with the New South Wales Branch to create the HSU East Branch.

None of the financial reports is able to be processed by Fair Work Australia (**FWA**) due to lack of documentation in each of the reports:

1. None of the financial reports includes a certificate that is required to be lodged under paragraph (c) of section 268 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act**). The certificate must state that the documents that are lodged are copies of the documents that were provided to members in accordance with the requirements of section 265 of the RO Act and presented to a meeting in accordance with the requirements of section 266 of the RO Act. The certificate must be signed by a designated officer, which is defined in regulation 162 of the *Fair Work (Registered Organisations) Regulations 2009* (**RO Regulations**) as being either the secretary or an officer of the organisation other than the secretary who is authorised by the organisation or by the rules to sign the certificate.

As no certificates have been lodged under section 268, it is not clear from the documentation that has been lodged whether any or all of the financial reports have been provided to members as required by section 265 of the RO Act or presented to a meeting as required by section 266 of the RO Act.

An example of a certificate prepared under section 268 is attached for your assistance.

2. The following documents are also missing from financial reports lodged for both the Victoria No.1 Branch and the Victoria No.3 Branch:
 - 2.1 A committee of management statement prepared under paragraphs 24 to 26 of the Reporting Guidelines that were issued by the Industrial Registrar on 12 October 2004. A copy of the Guidelines is available on the FWA website at <http://www.fwa.gov.au/index.cfm?pagename=regorgsfrguidelines> .
 - 2.2 An operating report that has been prepared under section 254 of the RO Act and regulation 159 of the RO Regulations.
3. The financial report for the Victoria No.3 Branch discloses donations totalling \$6,741 that were made by the Branch in the period to 24 May 2010. Our records do not, however, show that either the organisation or the branch has lodged a statement of loans, grants and donations under section 237 of the RO Act. Subsection 237(1) requires HSU to lodge a statement within 90 days of the end of the financial year (that is, by 28 September 2010) setting out the relevant particulars in relation to each loan, grant or donation *of an amount exceeding \$1,000* made during the financial year.

Should any of the amounts included in the \$6,741 exceed the \$1,000 threshold, you are required to lodge a statement of loans, grants and donations without delay. A pro-forma statement is included for your assistance

I note that verbal advice was given by Andrew Schultz of this office to Mr David Langmead of counsel on 5 November 2010 regarding preparation of financial reports for the New South Wales, Victoria No.1 and Victoria No.3 Branches for the period to 24 May 2010. In that conversation Mr Langmead was advised that:

- it is appropriate for you, as general secretary of the HSU East Branch, to sign each of the certificates under section 268, each of the operating reports and each of the committee of management statements;
- the requirements of section 265 of the RO Act regarding provision of copies of the reports to members could be met by placing the financial reports of the New South Wales Branch, the Victoria No.1 Branch and Victoria No.3 Branch on the HSU East Branch website; and
- the requirements of section 266 of the RO Act regarding presentation of financial reports of the New South Wales Branch, the Victoria No.1 Branch and Victoria No.3 Branch to either a meeting of members or a meeting of the committee of management could be met by presenting the reports to a meeting of the committee of management of the HSU East Branch, given the terms of rule 69(b) of the HSU Rules.

Action that is now sought

You are now requested to:

1. if you have not already done so, prepare an operating report and committee of management statement for each of the Victoria No.1 and Victoria No.3 Branches;
2. if you have not already done so, provide copies of the 'full report' (as set out in paragraph 265(1)(a) of the RO Act) to members of the New South Wales Branch, the Victoria No.1 Branch and Victoria No.3 Branch. This could be achieved by posting the full reports to the HSU East Branch website and including a notice on the website that a copy of the reports can be obtained from the Branch by members who are not able to access the reports electronically. I have not been able to find copies of any of the financial reports on the HSU East Branch website but it is possible that they are posted in that part of the website that is only accessible to members;

3. if you have not already done so, present the financial reports of the New South Wales Branch, the Victoria No.1 Branch and Victoria No.3 Branch to a meeting of members or of the committee of management as required by section 266 of the RO Act. This could be achieved by presenting the reports to a meeting of the committee of management of the HSU East Branch; and
4. lodge with FWA:
 - a. New South Wales Branch: a certificate prepared under section 268;
 - b. Victoria No.1 Branch:
 - i. committee of management statement;
 - ii. operating report; and
 - iii. certificate under section 268.
 - c. Victoria No.3 Branch:
 - i. committee of management statement;
 - ii. operating report;
 - iii. certificate under section 268; and
 - iv. statement of loans, grants and donations prepared under section 237 of the RO Act if any of the donations exceeds the \$1,000 threshold.

Once the outstanding documentation has been received by FWA the financial reports will be examined in detail for compliance with the requirements of the RO Act, RO Regulations and Reporting Guidelines.

If you have any queries, please contact me on (03) 8661 7767 or at ailsa.carruthers@fwa.gov.au. Please note that I will be on annual leave for the next two weeks but will return to the office on Monday, 24 January 2011.

Yours sincerely,



Ailsa Carruthers
Team Manager
Tribunal Services and Organisations

Sample Designated Officer's Certificate or other Authorised Officer¹

s268 Fair Work (Registered Organisations) Act 2009

I [name] being the [title of office] of the [name of the organisation] certify:

- that the documents lodged herewith are copies of the full report, [and the concise report]², referred to in s268 of the Fair Work (Registered Organisations) Act 2009; and
- that the [full report **OR** concise report]³, was provided to members on [insert date]; and
- that the full report was presented to [a general meeting of members **OR** a meeting of the committee of management]³ of the reporting unit on [insert date]; in accordance with section 266 of the Fair Work (Registered Organisations) Act 2009.

Signature

Date:

¹The relevant regulations prescribe the designated officer for the purpose of s268 of the Fair Work (Registered Organisations) Act 2009 as:

(a) the secretary; or

(b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.

²Only applicable where a concise report is provided to members

³Insert whichever is applicable

21 December 2010

The General Manager
Fair Work Australia
Level 4
11 Exhibition Street
MELBOURNE VIC 3000

Dear Sir/Madam,

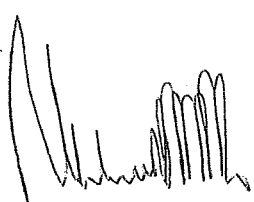
RE: Lodgement of Financial Statements

Please find enclosed financial statements for the period ended 24 May 2010 for the following:

- Health Services Union - New South Wales Branch;
- Health Services Union - Victoria No. 1 Branch; and
- Health Services Union - Victoria No. 3 Branch.

If you require any further information please contact me on (02) 9229 4909.

Yours sincerely
HSU East Branch



Michael Williamson
General Secretary



HSU east
ABN 93 728 534 695

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Sydney NSW 2000
Email: info@hsueast.com

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HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
FOR THE PERIOD ENDING 24 MAY 2010

CONTENTS

	<u>Page</u>
Financial Statements	
Auditors Independence Declaration	1
Independent Audit Report	2
Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8



Directors: **JOHN AGOSTINELLI - HENRY V PERLEN**

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HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
AUDITORS INDEPENDENCE DECLARATION

I declare that, to the best of my knowledge and belief, during the year ended 24 May 2010 there have been:

- (i) No contraventions of any applicable code of professional conduct in relation to the audit.



AGOSTINELLI PERLEN
CHARTERED ACCOUNTANTS



JOHN AGOSTINELLI
PARTNER

Dated at Carlton, Victoria

This Seventeenth day of November 2010

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
INDEPENDENT AUDIT REPORT TO THE MEMBERS HEALTH SERVICES UNION -
VICTORIA NO. 3 BRANCH**

Report on the Financial Report

We have audited the accompanying financial report of Health Services Union - Victoria Branch No. 3 (the Branch), which comprises the balance sheet as at 24 May 2010, and the income statement, statement of changes in equity and cash flow statement for the year ended that date a summary of significant accounting policies and other explanatory notes.

The Responsibility of the Branch Committee Members for the Financial Report

The Branch Committee Members are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and the financial reporting requirements of the organisation's constitution. This responsibility includes: designing, implementing 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.

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 Union'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 members, 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.

Independence

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

Directors: **JOHN AGOSTINELLI - HENRY V PERLEN**

Level 2 200 Lygon Street Carlton (PO Box 88 Carlton South Victoria 3053)

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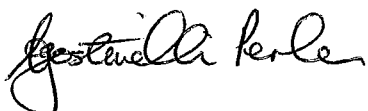
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HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
INDEPENDENT AUDIT REPORT TO THE MEMBERS HEALTH SERVICES UNION -
VICTORIA NO. 3 BRANCH

Auditor's Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of Health Services Union - Victoria Branch No. 3 as of 24 May 2010 and of its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.



AGOSTINELLI PERLEN
CHARTERED ACCOUNTANTS



JOHN AGOSTINELLI
PARTNER

Dated at Carlton, Victoria

This Seventeenth of the November 2010

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
INCOME STATEMENT**

FOR THE PERIOD ENDING 24 MAY 2010

	Note	24 May 2010 \$	30 June 2009 \$
Membership dues	4	1,503,004	1,805,375
Other income	5	146,219	126,751
Administrative expenses		(386,177)	(363,408)
Affiliation fees		(118,305)	(119,554)
Campaign costs		(49,149)	(77,349)
Conference expenses		(19,500)	(53,340)
Depreciation		(51,266)	(64,518)
Donations		(6,741)	(1,000)
Employment expenses		(679,753)	(655,287)
Finance costs	6	(4,704)	(6,946)
Insurance		(88,758)	(101,811)
Legal fees		(29,021)	(124,425)
Occupancy expenses	6	(38,909)	(37,125)
Travel expenses		(93,039)	(90,891)
Operating profit attributable to members		<u>83,901</u>	<u>236,472</u>

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
BALANCE SHEET**

24 MAY 2010

	Note	24 May 2010 \$	30 June 2009 \$
ASSETS			
Current assets			
Cash and cash equivalents	7	702,441	1,105,545
Trade and other receivables	8	407,648	56,628
Total current assets		<u>1,110,089</u>	<u>1,162,173</u>
Non-current assets			
Property, plant and equipment	9	202,988	103,141
Total non-current assets		<u>202,988</u>	<u>103,141</u>
TOTAL ASSETS		<u><u>1,313,077</u></u>	<u><u>1,265,314</u></u>
LIABILITIES			
Current liabilities			
Trade and other payables	10	104,243	86,972
Short-term provisions	11	217,695	189,846
Total current liabilities		<u>321,938</u>	<u>276,818</u>
Non-current liabilities			
Other long-term provisions	11	21,132	102,390
Total non-current liabilities		<u>21,132</u>	<u>102,390</u>
TOTAL LIABILITIES		<u>343,070</u>	<u>379,208</u>
NET ASSETS		<u><u>970,007</u></u>	<u><u>886,106</u></u>
EQUITY			
Members' funds		<u>970,007</u>	<u>886,106</u>
TOTAL EQUITY		<u><u>970,007</u></u>	<u><u>886,106</u></u>

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
STATEMENT OF CHANGES IN EQUITY**

FOR THE PERIOD ENDING 24 MAY 2010

	Accumulated Funds	Total
	\$	\$
Balance at 1 July 2009	886,106	886,106
Operating profit for the year	83,901	83,901
Balance at 24 May 2010	970,007	970,007

	Accumulated Funds	Total
	\$	\$
Balance at 1 July 2008	640,140	640,140
Operating profit for the year	236,472	236,472
Prior year adjustment	9,494	9,494
Balance at 30 June 2009	886,106	886,106

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
CASH FLOW STATEMENT**

FOR THE PERIOD ENDING 24 MAY 2010

	24 May 2010	30 June 2009
Note	\$	\$
Cash from operating activities:		
Receipts from members	1,655,004	1,989,916
Payments to suppliers and employees	(2,048,510)	(1,767,700)
Receipts from other operating activities	75,228	122,095
Interest received	35,530	41,310
Interest paid	(4,704)	(6,946)
Net cash from operating activities	<u>13 (287,452)</u>	<u>378,675</u>
Cash flows from investing activities:		
Purchase of property and equipment	(115,652)	(11,468)
Net cash from investing activities	<u>(115,652)</u>	<u>(11,468)</u>
Net (decrease) / increase in cash held	(403,104)	367,207
Cash and cash equivalents at beginning of financial year	<u>1,105,545</u>	<u>738,338</u>
Cash and cash equivalents at end of financial year	<u>7 702,441</u>	<u>1,105,545</u>

HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 24 MAY 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) General information

This financial report covers Health Services Union - Victoria No. 3 Branch as an individual entity. Health Services Union - Victoria No. 3 Branch is a non-reporting economic entity incorporated and domiciled in Australia. This financial report is prepared to satisfy the requirements of the Fair Work (Registered Organisations) Act 2009.

The reporting period for this financial report is from 30 June 2010 to 24 May 2010. This is due to the audit performed being an exit audit. This is due to the merger of Health Services Union No.3 Branch and Health Services Union – Victoria No.1 Branch to collectively form Health Services Union – East.

(b) Basis of preparation

The financial report is a general purpose financial report that has been prepared in accordance with Australian Accounting Standards and Australian Accounting Interpretations. 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. 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 and have been consistently applied unless otherwise stated.

Membership contributions are accounted for on a cash basis, otherwise the concept of accruals accounting has been adopted in the preparation of these accounts.

(c) Comparatives

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

(d) Property, plant and equipment

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

Plant and equipment

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life 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.

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 24 MAY 2010**

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

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

Furniture, Fixtures and Fittings	20%
Motor Vehicles	25%
Office Equipment	37.5% - 50%
Computer Software	25%

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

(e) Investments (financial assets)

Fair value

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

Recognition

Financial assets are initially measured at cost of trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities in the balance sheet.

(g) Employee benefits

Provision is made for the Branch's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be settled within one year have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs. Employee benefits payable later than one year have been measured at present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Those cashflows are discounted using market yields on national government bonds with terms to maturity that match the expected timing of cashflows.

HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 24 MAY 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Provisions

Provisions are recognised when the Union has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

(i) Revenue

Revenue from membership dues is accounted for on a cash receipts basis.

Interest revenue is recognised using the effective interest rate method, which, for floating rate financial assets, is the rate inherent in the instrument.

Revenue recognition relating to the provision of services is determined with reference to the stage of completion of the transaction at the reporting date and where the outcome of the contract can be estimated reliably. Stage of completion is determined with reference to the services performed to date as a percentage of total anticipated services to be performed. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent that related expenditure is recoverable.

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

(j) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

(k) 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 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.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(l) Income taxes

No provision for income tax has been raised as the Union is exempt from income tax under Div 50 of the *Income Tax Assessment Act 1997*.

HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 24 MAY 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) Leases

Leases of fixed assets where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership that are transferred to the entity is classified as finance leases.

Finance leases are capitalised by recording an asset and a liability at the lower of the amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight-line basis over the shorter of their estimated useful lives where it is likely that the entity will obtain ownership of the asset or over the term of the lease.

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight line basis over the life of the lease term.

Lease incentives under operating leases are recognised as a liability and amortised on a straight-line basis over the life of the lease term.

(n) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended accounting standards and interpretations that have mandatory application dates for future reporting periods. The Branch has decided against early adoption of these standards. A discussion of those future requirements and their impact on the Branch are as follows:

- AASB 9: Financial instruments and AASB 2009-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013).

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Branch has not yet determined the potential impact on the financial statements.

The 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;

HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 24 MAY 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New Accounting Standards for Application in Future Periods (continued)

-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; and

-reclassifying financial assets 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 financial assets; and

(b) the characteristics of the contractual cash flows.

- 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 Branch.

- AASB 2009-4: Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 2 and AASB 138 and AASB Interpretations 9 & 16] (applicable for annual reporting periods commencing from 1 July 2009) and AASB 2009-5: Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project [AASB 5, 8, 101, 107, 117, 118, 136 & 139] (applicable for annual reporting periods commencing from 1 January 2010).

These standards detail numerous non-urgent but necessary changes to accounting standards arising from IASB's annual improvements project. No changes are expected to materially affect the Branch.

- AASB 2009-9: Amendments to Australian Accounting Standards — Additional Exemptions for First-time Adopters [AASB 1] (applicable for annual reporting periods commencing on or after 1 January 2010).

These amendments specify requirements for entities using the full cost method in place of the retrospective application of Australian Accounting Standards for oil and gas assets, and exempt entities with existing leasing contracts from reassessing the classification of those contracts in accordance with Interpretation 4 when the application of their previous accounting policies would have given the same outcome. These amendments are not expected to impact the Branch.

- AASB 2009-10: Amendments to Australian Accounting Standards — Classification of Rights Issues [AASB 132] (applicable for annual reporting periods commencing on or after 1 February 2010).

HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 24 MAY 2010

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) New Accounting Standards for Application in Future Periods (continued)

These amendments clarify that rights, options or warrants to acquire a fixed number of an entity's own equity instruments for a fixed amount in any currency are equity instruments if the entity offers the rights, options or warrants pro-rata to all existing owners of the same class of its own non-derivative equity instruments. These amendments are not expected to impact the Branch. 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 International Financial Reporting Standards 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. These amendments are not expected to impact the Branch.

- AASB 2009-13: Amendments to Australian Accounting Standards arising from Interpretation 19 [AASB 1] (applicable for annual reporting periods commencing on or after 1 July 2010).

This standard makes amendments to AASB 1 arising from the issue of Interpretation 19. The amendments allow a first-time adopter to apply the transitional provisions in Interpretation 19. This standard is not expected to impact the Branch.

- 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.

The Branch does not anticipate early adoption of any of the above accounting standards.

2 NOTICE UNDER SECTION 272

- 1) Members of a reporting unit, or the General Manager, 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 must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- 3) A reporting unit must comply with an application made under subsection (1).

HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDING 24 MAY 2010

	2010	2009
	\$	\$
3 AUDITORS' REMUNERATION		
Remuneration of the auditor of the Union for:		
- auditing or reviewing the financial report	24,618	12,300
	<u>24,618</u>	<u>12,300</u>
4 REVENUE		
Member subscriptions	1,503,004	1,805,375
	<u>1,503,004</u>	<u>1,805,375</u>
5 OTHER OPERATING INCOME		
Directors fees	-	7,674
Miscellaneous income	7,453	9,606
Provision for employee services	67,775	63,616
Profit / (loss) on sale of assets	35,461	4,545
Interest income	35,530	41,310
	<u>146,219</u>	<u>126,751</u>
6 PROFIT FOR THE YEAR		
Expenses		
Interest expense on financial liabilities not at fair value through profit or loss:		
-external	4,704	6,946
	<u>4,704</u>	<u>6,946</u>
Rental expense on operating leases		
-rental expense	38,909	37,125
	<u>38,909</u>	<u>37,125</u>
	<u>38,909</u>	<u>37,125</u>
7 CASH AND CASH EQUIVALENTS		
Cash at bank	680,892	1,084,701
Term deposits	21,549	20,844
	<u>702,441</u>	<u>1,105,545</u>
8 TRADE AND OTHER RECEIVABLES		
Current		
Other related parties	8(a) 400,664	50,037
Prepayments	6,984	6,591
	<u>407,648</u>	<u>56,628</u>

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDING 24 MAY 2010

	2010	2009
	\$	\$
8 TRADE AND OTHER RECEIVABLES (continued)		
(a) Other related parties (current)		
HSU - Victoria No. 1 Branch loan	297,788	-
HSU – National loan	102,876	50,037
	400,664	50,037
9 PROPERTY, PLANT AND EQUIPMENT		
Furniture, fixture and equipment		
At cost	196,517	184,761
Accumulated depreciation	(172,381)	(161,735)
	24,136	23,026
Motor vehicles		
At cost	242,713	217,721
Accumulated depreciation	(65,216)	(142,999)
	177,497	74,722
Computer software		
At cost	132,594	132,594
Accumulated depreciation	(131,239)	(127,201)
	1,355	5,393
Improvements		
At cost	79,583	79,583
Accumulated depreciation	(79,583)	(79,583)
	-	-
	202,988	103,141

Movements in Carrying Amounts

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

	Furniture, Fixtures and Equipment	Motor Vehicles	Computer Software	Total
	\$	\$	\$	\$
Balance at the beginning of year	23,026	74,722	5,393	103,141
Additions	11,756	103,896	-	115,652
Trade-in	-	83,800	-	83,800
Disposals	-	(73,496)	-	(73,496)
Depreciation expense	(10,646)	(11,425)	(4,038)	(26,109)
Carrying amount at the end of year	24,136	177,497	1,355	202,988

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDING 24 MAY 2010

2010 2009
\$ \$

10 TRADE AND OTHER PAYABLES

Current

Unsecured liabilities

Trade payables

Sundry payables and accrued expenses

4,387 16,969

99,856 70,003

104,243 86,972

11 PROVISIONS

Balance at the beginning of the year

Additional provisions

Amounts used

Balance at the end of the year

292,236 297,103

38,817 77,884

(92,226) (82,751)

238,827 292,236

Analysis of Total Provisions

Current

Non-current

217,695 189,846

21,132 102,390

238,827 292,236

Provision for Employee Entitlements

A provision has been recognised for current employee benefits relating to annual leave. A provision has also been recognised for non current employee benefits relating to long service leave.

12 FINANCIAL RISK MANAGEMENT

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

The totals for each category of financial instrument are as follows:

Financial Assets

Cash and cash equivalents

Trade and other receivables

Total Financial Assets

702,441 1,15,545

407,648 56,628

1,110,089 1,162,173

Financial Liabilities

Trade and other payables

Total Financial Liabilities

104,243 86,972

104,243 86,972

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDING 24 MAY 2010

2010 2009
\$ \$

12 FINANCIAL RISK MANAGEMENT (continued)

Specific Financial Risk Exposures and Management

The main risks the Branch is exposed to through its financial instruments are liquidity risk and market risk through interest rate risk.

(a) Liquidity risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities.

The Branch manages risk through the following mechanisms:

- Comparing the maturity profile of financial liabilities with the realisation profile of financial assets;
- Managing credit risk related to financial assets;
- Maintaining a reputable credit risk profile;
- Obtaining funding from a variety of sources; and
- Monitoring undrawn credit facilities.

Financial liability and financial asset maturity analysis

	Within 1 Year		1-5 Years		Total Contractual Cash Flow	
	2010	2009	2010	2009	2010	2009
	\$	\$	\$	\$	\$	\$
Financial Assets – cash flow realisable						
Cash and cash equivalents	702,441	1,105,545	-	-	702,441	1,105,545
Trade and other receivables	407,648	56,628	-	-	407,648	56,628
Total anticipated inflows	1,110,089	1,162,173	-	-	1,110,089	1,162,173
Financial Liabilities due for payment						
Trade and other payables	104,243	86,972	-	-	104,243	86,972
Total contractual outflows	104,243	86,972	-	-	104,243	86,972
Net inflow/(outflow) on financial instruments	1,005,846	1,075,201			1,005,846	1,075,201

(b) 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 cash flows or the fair value of fixed rate financial instruments.

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDING 24 MAY 2010

2010	2009
\$	\$

13 DONATIONS

As required by section 254 of the Fair Work (Registered Organisations) Act 2009, listed below are any donations in excess of \$1,000:

-Australia Bringing Hope Incorporated	5,000	-
---------------------------------------	-------	---

No donations in excess of \$1,000 were made during the 2009 financial year.

14 CASH FLOW INFORMATION

(a) Reconciliation of Cash Flow from Operations with Profit after Income Tax

Net income/loss for the period	83,901	236,472
Cash flows excluded from profit attributable to operating activities		
Non-cash flows in profit		
Depreciation	51,266	64,518
Adjustment to plant and equipment from prior year	-	37,981
Net gain on disposal of property, plant and equipment	(35,461)	-
Changes in assets and liabilities		
(Increase)/decrease in trade and term receivables	(350,627)	36,654
(Increase)/decrease in prepayments	(393)	(6,591)
Increase/(decrease) in trade payables and accruals	17,271	14,507
Increase/(decrease) in provisions	(53,409)	(4,866)
Net cash from operating activities	(287,452)	378,675

15 RELATED PARTY TRANSACTIONS

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Transactions with related parties:

-Trade Receivables	211,486	50,037
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16 KEY MANAGEMENT PERSONNEL COMPENSATION

The totals of remuneration paid to key management personnel of the Branch during the period are as follows:

	2010
	\$
Employee benefits	522,570

Key management personnel who received compensation during the period were Katherine Jackson.

**HEALTH SERVICES UNION - VICTORIA NO. 3 BRANCH
NOTES TO THE FINANCIAL STATEMENTS**

FOR THE PERIOD ENDING 24 MAY 2010

2010	2009
\$	\$

17 CONTINGENT LIABILITIES AND ASSETS

There were no contingent liabilities or contingent assets as at balance date.

18 EVENTS AFTER BALANCE DATE

On 24 May 2010 the union altered the rules of the Health Services Union. The alterations involved the merger of the Victoria No.1 and Victoria No.3 Branches with the New South Wales Branch. The Health Services Union New South Wales Branch was then renamed to HSU East Branch.

19 SUPERANNUATION OFFICE HOLDERS

The following officers and/or members of the Branch are directors of companies that are trustees of superannuation funds which require one or more of their directors to be a member of a registered organisation.

Officer/Member	Trustee Company	Entity/Scheme	Position
Katherine Jackson	H.E.S.T Australia Limited	HESTA Superfund	Director

20 BRANCH DETAILS

The principal place of business for the Branch is:
Health Services Union – Victoria No.3 Branch
209-212 Park Street
South Melbourne VIC 3205