



24 November 2014

Mr Craig McGregor  
Secretary  
Health Services Union, Victoria No.3 Branch  
PO Box 13286 Law Courts VIC 3053

via e-mail: [craig.mcgregor@vhpa.asn.au](mailto:craig.mcgregor@vhpa.asn.au)

Dear Mr McGregor

**Health Services Union, Victoria No.3 Branch  
Financial Report for the year ended 30 June 2014 - FR2014/240**

I acknowledge receipt of the financial report for the year ended 30 June 2014 for the Health Services Union, Victoria No.3 Branch. The financial report was lodged with the Fair Work Commission (FWC) on 20 November 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and Reporting Guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that next financial report may be subject to an advanced compliance review.

**Reporting Requirements**

The FWC website [[Financial Reporting](#)] contains a number of factsheets on the financial reporting process and timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends using the model statements to help comply with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7675 or via email at [ken.morgan@fwc.gov.au](mailto:ken.morgan@fwc.gov.au)

Yours sincerely

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

Ken Morgan  
Financial Reporting Advisor  
Regulatory Compliance Branch

## HEALTH SERVICES UNION VICTORIA NO 3 BRANCH

Financial Year 2013-14

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

Certificate for the period ended 30 June 2014

I Craig McGregor being the Secretary of the Health Services Union Victoria No 3 Branch certify:

- that the documents lodged herewith are copies of the Full Report for the Health Services Union Victoria No 3 Branch for the period ended 30 June 2014 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the Full Report was provided to members of the reporting unit on 18 November 2014; and
- that the Full Report was presented to *a meeting of the committee of management* of the reporting unit on 19 November 2014 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Signature of prescribed designated officer:

Name of prescribed designated officer:

Craig McGregor

Title of prescribed designated officer:

Branch Secretary

Dated:

20 November 2014

**HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
(VICTORIAN HEALTH PROFESSIONALS ASSOCIATION)**

**ABN 38 106 461 384**

**ANNUAL FINANCIAL REPORT  
FOR THE PERIOD ENDED 30 JUNE 2014**



**HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
ABN 38 106 461 384**

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This financial report covers the Health Services Union Victoria No 3 Branch (Operating as the Victorian Health Professionals Association) as an individual entity. The financial report is presented in the Australian currency.

The Health Services Union Victoria No 3 Branch is a registered body under the *Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia.

*The principal place of business is:*

Health Services Union Victoria No 3 Branch  
351 William St  
WEST MELBOURNE VIC 3003

The financial report was authorised for issue by the Branch Committee of Management on 17 day of October 2014.

**HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
(VICTORIAN HEALTH PROFESSIONALS ASSOCIATION)  
ABN 38 106 461 384**

**OPERATING REPORT**

Your Branch Committee of Management present their report on the Health Services Union Victoria No 3 Branch (The Branch) for the financial period from 01 July 2013 to 30 June 2014.

**Members of Branch Committee**

The names of the members of the branch council in office at any time during or since the end of the financial year are:

<b>Name</b>	<b>Position</b>	<b>Date office taken</b>	<b>Date resigned</b>
Cheryl O'Connor (formerly Hale)	President	6 Mar 2013	
Joanne Ginn	Senior Vice President	6 Mar 2013	
Rebecca Barnden	Junior Vice President	6 Mar 2013	
Craig McGregor	Branch Secretary	28 Nov 2012	
Andrew Hewat	Assistant Secretary	28 Nov 2012	
Bruce Poole	Trustee	28 Nov 2012	
Jenni Bourke	Member	28 Nov 2012	
Anthony D'Amore	Trustee	6 Mar 2013	
Marni Jackson	Member	5 Mar 2014	
Scott Plowman	Member	25 Mar 2014	
Kim Vien	Member	05 Jun 2014	
Kaye Kingham	Member	06 Aug 2014	
Sam Tuck	Member	6 Mar 2013	31 Jul 2013
Julian Ginn	Member	28 Nov 2012	31 Dec 2013
Michael Hovenden	Member	28 Nov 2012	31 Dec 2013
Trish Pham	Member	28 Nov 2012	31 Dec 2013
Debra Gibbons	National Council	28 Nov 2012	5 Jun 2014

**Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

The Health Services Union Victoria No 3 Branch (the Branch) is a specialist Union that promotes and defends the industrial, professional and democratic interests of our members. The Branch was formed as a result of the demerger of the HSU East Branch pursuant to a Deed Poll dated 21 August 2012.

The principal activities of the Branch during the financial year consist of: organising Victorian Health Professionals; training and education of members; providing individual members with informed and expert presentation in workplace related matters.

**Union details**

The number of full time equivalents employees at 30 June 2014 was 11.2.

The number of financial members at 30 June 2014 was 3,479.

**HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
(VICTORIAN HEALTH PROFESSIONALS ASSOCIATION)  
ABN 38 106 461 384**

**OPERATING REPORT (Continued)**

**Right of members to resign**

Rule 10 sets out the terms under which a member of the Branch may resign.

10 (b) A member may resign from membership of the Union by notice in writing addressed and delivered to the Secretary of the member's Branch.

10 (c) Where the member ceases to be eligible to become a member of the Union, the notice of resignation will take effect on the later of the following two dates:

- (i) on the day on which the notice is received; or
- (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceased to be eligible to become a member.

10 (d) Where the member has not ceased to be eligible to become a member of the Union, the notice of resignation will take effect on the later of the following two dates:

- (i) at the end of two weeks after the notice is received by the Union; or
- (ii) on the day specified in the notice.

10 (e) A notice delivered to the Secretary of the member's Branch shall be taken to have been received by the Union when it was delivered.

10 (f) A notice of resignation that has been received by the Union shall not be invalid because it was not addressed and delivered in accordance with rule 10(b).

10 (g) A resignation from membership of the Union shall be valid even if it is not effected otherwise in accordance with these rules if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

10 (h) Any dues payable but not paid by a former member, in relation to a period before the resignation took effect, shall be the amount owed by the member and may be recovered in accordance with rule 11.

**Directorships of Superannuation Fund**

To the best of our knowledge and belief, no officers and employees of the Branch are a trustee of a superannuation scheme or an exempt public sector superannuation scheme or a director of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme.

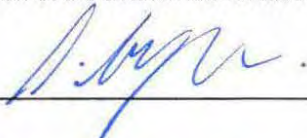
**HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
(VICTORIAN HEALTH PROFESSIONALS ASSOCIATION)  
ABN 38 106 461 384**

**OPERATING REPORT (Continued)**

**Directorships of company or a member of a board**

Name of Officer	Name of the company or board	Position	Principal activities	Whether position held because nominated for by the reporting unit or by a peak council
Craig McGregor	HSU National	Member of the National Executive and of the National Council	Trade Union activities	Yes
Andrew Hewat	Geelong Trades Hall	Committee Member	Trade Union activities	Yes
Andrew Hewat	Trail Running Company	Director	Event organising	No
Bruce Poole	St. Michaels Primary School Traralgon	Parents Advisory Committee (school board)	School	No
Bruce Poole	Registrar	Aust Orthotic Prosthetic Assoc Inc	Professional peak body	No
Scott Plowman	Chair	Vic CT Technologies Group	Education for CT users	No
Kaye Kingham	Mentoring Co-ordinator	Speech Pathology Australia, Vic Branch	Professional peak body	No
Patricia Pham	AIR social media working party	Victoria Representative	Event organising	Yes
Anthony D'Amore	ALD Ultrasound Pty Ltd	Director	Contracting	No
Neil Bowker	Fair Trade Association of Australia and New Zealand Inc	Treasurer	Promote Fair Trade	No
John Ryan	Creative Ministries	Director	Church / Community group	No

Signed in accordance with a resolution of the Branch Committee of Management:

Signature of designated officer: 

Name of designated officer: *Craig McGregor*

Title of designated officer: *Branch Secretary*

Dated: *17-10-2014*



**HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
(VICTORIAN HEALTH PROFESSIONALS ASSOCIATION)  
ABN 38 106 461 384**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2014**

	Note	1 Jul 2013 to 30 Jun 2014 \$	21 Aug 2012 to 30 June 2013 \$
<b>Revenue from continuing operations</b>			
Member contributions	4	1,646,653	1,300,722
Capitation fees		-	-
Levies		-	-
Other revenue	4	95,955	26,327
		<u>1,742,608</u>	<u>1,327,049</u>
<b>Expenses</b>			
Administration expenses	5	(142,993)	(74,867)
Affiliation, capitation fees and levies	6	(67,743)	(42,700)
Communication expenses		(36,826)	(6,029)
Computer expenses		(58,870)	(47,336)
Depreciation	7	(38,760)	(9,531)
Grants and donations	8	(9,960)	-
Employee expenses	9	(1,284,963)	(654,787)
Legal & professional fees	10	(39,647)	(38,908)
Additional member benefits	11	(102,134)	(122,834)
Motor vehicle expenses		(59,168)	(26,179)
Travel expenses		(13,122)	(7,450)
Occupancy expenses	12	(77,505)	(17,369)
Delegates and BCOM expenses		(1,394)	-
Impairment expenses	16	-	(101,665)
Other expenses		-	(22,051)
		<u>(1,933,083)</u>	<u>(1,171,706)</u>
<b>Surplus attributable to members of the entity</b>		<b>(190,475)</b>	<b>155,343</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year attributable to members</b>		<b><u>(190,475)</u></b>	<b><u>155,343</u></b>

The above Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

**HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
(VICTORIAN HEALTH PROFESSIONALS ASSOCIATION)  
ABN 38 106 461 384**

**STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2014**

	Note	2014 \$	2013 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	429,898	404,882
Trade and other receivables	14	<u>41,815</u>	<u>127,639</u>
<b>Total current assets</b>		<u>471,713</u>	<u>532,521</u>
<b>Non-current assets</b>			
Property, plant and equipment	15	131,240	21,153
Trade and other receivables	16	<u>17,534</u>	<u>208,594</u>
<b>Total non-current assets</b>		<u>148,774</u>	<u>229,747</u>
<b>Total assets</b>		<u>620,487</u>	<u>762,268</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	17	184,993	179,088
Provisions	18	<u>59,599</u>	<u>16,809</u>
<b>Total current liabilities</b>		<u>244,592</u>	<u>195,897</u>
<b>Total liabilities</b>		<u>244,592</u>	<u>195,897</u>
<b>Net assets</b>		<u>375,896</u>	<u>566,371</u>
<b>MEMBERS' FUND</b>			
Accumulated surplus	19	<u>375,896</u>	<u>566,371</u>
<b>Total members' fund</b>		<u>375,896</u>	<u>566,371</u>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
(VICTORIAN HEALTH PROFESSIONALS ASSOCIATION)  
ABN 38 106 461 384

STATEMENT OF CHANGES IN EQUITY  
FOR THE PERIOD ENDED 30 JUNE 2014

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	Accumulated surplus \$	Total \$
<b>Balance at 21 August 2012</b>	-	-
Comprehensive income for the year	155,343	155,343
Net assets acquired on demerger	<u>411,028</u>	<u>411,028</u>
<b>Balance at 30 June 2013</b>	<u>566,371</u>	<u>566,371</u>
<b>Balance at 1 July 2013</b>	566,371	566,371
Comprehensive income for the year	<u>(190,475)</u>	<u>(190,475)</u>
<b>Balance at 30 June 2014</b>	<u>375,896</u>	<u>375,896</u>

**HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
(VICTORIAN HEALTH PROFESSIONALS ASSOCIATION)  
ABN 38 106 461 384**

**STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2014**

	Note	1 Jul 2013 to 30 Jun 2014	21 Aug 2012 to 30 Jun 2013 \$
<b>Cash flows from operating activities</b>			
Membership fees and levies received (inclusive of GST)		1,864,041	1,469,816
Receipts from other reporting units	24(b)	240,000	-
Receipts from controlled entities		-	-
Sundry receipts (inclusive of GST)		15,131	10,279
Grant receipts (inclusive of GST)		-	-
Payments to suppliers and employees (inclusive of GST)		(1,875,123)	(1,339,284)
Payments to controlled entities		-	-
Payments to other reporting units			
- National Office (inclusive of GST)	24(c)	(76,672)	(44,924)
- HSU Vic no 1 Branch (inclusive of GST)	24(c)	-	(36,977)
Interest received		6,485	3,124
<b>Net cash inflow from operating activities</b>	24(a)	<u>173,862</u>	<u>62,034</u>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(148,846)	(25,690)
<b>Net cash inflow from investing activities</b>		<u>(148,846)</u>	<u>(25,690)</u>
<b>Net increase in cash and cash equivalents</b>		25,016	36,344
Cash and cash equivalents acquired at beginning of financial year		404,882	368,538
<b>Cash and cash equivalents at end of financial year</b>	13	<u>429,898</u>	<u>404,882</u>

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

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**1: Summary of significant accounting policies**

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The financial report includes the financial statements for the Health Services Union Victoria No 3 Branch (The Branch) as an individual entity.

**(a) Basis of preparation**

These general purpose financial statements have been prepared on an accruals basis in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the requirements of the *Fair Work (Registered Organisations) Act 2009*. The Health Services Union Victoria No 3 Branch (The Branch) is a not-for-profit entity for the purpose of preparing the financial statements.

*Statement of compliance*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of full compliance with IFRS cannot be made due to the entity applying the not for profit sector requirements contained in AIFRS.

*New and amended standards adopted by the Branch*

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 July 2013 affected any of the amounts recognised in the current period or any prior period and is not likely to affect future periods.

*Early adoption of standards*

The Branch has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 July 2013.

*Historical cost convention*

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

*Critical accounting estimates*

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Branch's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 2.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

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**Summary of significant accounting policies (continued)**

**(b) Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Branch recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the branch and specific criteria have been met for each of the Branch's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The Branch bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

*Membership contributions*

Membership contributions are recognised when the right to receive the fee has been established and the receipt of the fee is certain. Membership contributions identifiable as being received in advance for next year and amounts due for the current year are recorded as such in the Statement of Financial Position.

*Interest income*

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, The Branch reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

*Other revenue*

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

**(c) Income tax**

The Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997, however still has an obligation for Fringe Benefits Tax (FBT) and Goods and Services Tax (GST).

**(d) Cash and cash equivalents**

For statement of cash flows presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the Statement of Financial Position.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

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**Summary of significant accounting policies (continued)**

**(e) Leases**

Leases of property, plant and equipment where the Branch, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the Statement of Profit or Loss and Other Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term. Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Branch as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the Statement of Profit or Loss and Other Comprehensive Income on a straight-line basis over the period of the lease.

**(f) Investment in other financial assets**

***Classification***

The Branch classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The Branch does not hold any investments in the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets and held-to-maturity investments.

***i) Loans and receivables***

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the Statement of Financial Position.

***Recognition and derecognition***

Regular purchases and sales of investments are recognised on trade-date - the date on which the Branch commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Branch has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non-monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the Statement of Profit or Loss and Other Comprehensive Income as gains and losses from investment securities.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014

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**Summary of significant accounting policies (continued)**

**(f) Investment in other financial assets (Continued)**

***Fair value***

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Branch establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

***Impairment***

The Branch assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the Statement of Profit or Loss and Other Comprehensive Income. Impairment losses recognised in the Statement of Profit or Loss and Other Comprehensive Income on equity instruments are not reversed through the Statement of Profit or Loss and Other Comprehensive Income.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

**(g) Fair value measurements**

The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the branch is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014**

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**Summary of significant accounting policies (continued)**

**(g) Fair value measurements (Continued)**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**(h) Property, plant and equipment**

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

**Depreciation**

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the Branch commencing from the time the asset is held ready for use.

<b>Class of fixed asset</b>	<b>Depreciation rate</b>	<b>Depreciation basis</b>
Office equipment	25-50%	Straight line
Computer equipment	20-33.3%	Straight line
Furniture and fixtures	20-33.3%	Straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the Statement of Profit or Loss and Other Comprehensive Income. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

**(i) Trade and other payables**

These amounts represent liabilities for goods and services provided to the Branch prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

**(j) Goods and Service Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case, the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense.

Receivables and payables in the Statement of Financial Position are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the Statement of Financial Position.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2014

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**Summary of significant accounting policies (continued)**

**(j) Goods and Service Tax (GST) (Continued)**

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow. Commitments and contingencies are disclosed inclusive of GST.

**(k) Employee benefits**

*(i) Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liability for annual leave and accumulating sick leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

*(ii) Other long-term employee benefit obligations*

The liability for long service leave and annual leave which is not expected to be settled within 12 months after the end of the period in which the employees render the related service is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

The obligations are presented as current liabilities in the Statement of Financial Position if the branch does not have an unconditional right to defer settlement for at least twelve months after the reporting date, regardless of when the actual settlement is expected to occur.

**(l) Functional and presentation currency**

Items included in the financial report are measured using the currency of the primary economic environment in which the branch operates ('the functional currency'). The financial report is presented in Australian dollars, which is the Branch's functional and presentation currency.

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Summary of significant accounting policies (continued)

(m) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2014 reporting periods. The Branch's assessment of the impact of these new standards and interpretations is set out below.

Standard Name	Effective date for entity	Requirements	Impact
AASB 9 Financial Instruments and amending standards AASB 2010-7 / AASB 2012-6	30 June 2016	Changes to the classification and measurement requirements for financial assets and financial liabilities.  New rules relating to derecognition of financial instruments.	The impact of AASB 9 has not yet been determined as the entire standard has not been released.
AASB 1055 - Budgetary Reporting AASB 2013-1 Amendments to AASB 1049 - Relocation of Budgetary Reporting Requirements	30 June 2015	This standard specifies the nature of budgetary disclosures and circumstances for inclusion in the financial statements.	No impact as the entity is not a public sector entity.
AASB 2012-3 Amendments to Australian Accounting Standards - Offsetting Financial Assets and Financial Liabilities [AASB 132]	30 June 2015	This standard adds application guidance to AASB 132 to assist with applying some of the offset criteria of the standard.	There will be no impact to the entity as there are no offsetting arrangements currently in place.
AASB 2013-3	30 June 2015	Amends the disclosure requirements in AASB 136 Impairment of Assets. The amendments include the requirement to disclose additional information about the fair value measurement when the recoverable amount of impaired assets is based on fair value less costs of disposal.	The impact of this standard is expected to be minimal.

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**2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Branch and that are believed to be reasonable under the circumstances.

**(a) Critical accounting estimates and assumptions**

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**(b) Critical judgments in applying the branch's accounting policies**

*Employee entitlements*

Management judgement is applied in determining the following key assumptions used in the calculation of long service leave at balance date:

- future increases in wages and salaries;
- future on-cost rates; and
- experience of employee departures and period of service.

**3: SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009**

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

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

(1) a member of a reporting unit, or the General Manager of Fair Work Commission, 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).

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**4: Revenue**

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
<b>From continuing operations</b>		
- member contributions	1,646,653	1,300,722
- capitation fee	-	-
- levies	-	-
<i>Other revenue</i>		
- interest	6,485	3,124
- donation received	3,305	-
- grants received	-	-
- financial support from another reporting unit	-	-
- profit on disposal of assets	-	12,924
- gain on HSU Vic 1 loan settlement	54,526	-
- other revenue	31,639	10,279
	<u>95,955</u>	<u>26,327</u>
	<u>1,742,608</u>	<u>1,327,049</u>

**5: Administration expenses**

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
Bank charges and credit card fees	25,804	13,634
Compulsory levies	-	-
Conference and meeting expenses	10,940	495
Conference and meeting allowances	-	-
Consideration to employers for payroll deductions	-	-
Insurances	18,131	17,189
Telephone and internet	26,828	11,595
Loss on disposal of assets	-	8,376
HSU Vic No 1 Branch Service fee	-	12,524
Penalties – RO Act or RO Regulations	-	-
Postage and courier	14,632	846
Printing and stationery	27,748	7,147
Other expenses	18,910	3,061
	<u>142,993</u>	<u>74,867</u>

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NOTES TO THE FINANCIAL STATEMENTS  
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**6: Affiliation, capitation fees and levies**

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
<i>Affiliation fee</i>		
- Victorian Trades Hall Council	-	3,038
- North East Border Trades & Labour Council	-	300
- South West Trades & Labour Council	-	99
- Geelong Trades Hall Council	688	-
<i>Capitation fee</i>		
- Health Services Union – National Office	67,055	39,263
	<u>67,743</u>	<u>42,700</u>

**7: Depreciation**

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
Motor vehicles	-	4,502
Furniture and fixtures	11,098	-
Office equipment	1,133	505
Computer equipment	26,529	4,524
	<u>38,760</u>	<u>9,531</u>

**8: Grants and donations**

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
Grants	-	-
Donations	9,960	-
	<u>9,960</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS  
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9: Employee expenses

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
<b>Holders of office:</b>		
Wages and salaries	211,079	102,505
Superannuation	20,979	9,433
Leave and other entitlements	18,067	3,299
Separation and redundancies	-	175,050
Other employee expenses	-	-
	<u>250,125</u>	<u>290,287</u>
<b>Employees other than holders of office:</b>		
Wages and salaries	756,699	412,687
Superannuation	73,827	39,527
Leave and other entitlements	97,251	47,472
Separation and redundancies	19,351	141,776
Other employee expenses	-	-
	<u>947,128</u>	<u>641,462</u>
<b>Other staff costs:</b>		
Fringe benefits tax	15,840	9,031
Payroll tax	54,629	36,332
Workers compensation	5,846	8,573
Seminars and training	9,400	5,014
Staff recruitment and temps	465	3,511
Other	1,530	55
	<u>87,710</u>	<u>62,516</u>
<b>Total</b>	<u>1,284,963</u>	<u>994,265</u>
<b>Less: Employee related liabilities assumed as part of demerger now settled:</b>		
- Termination payments assumed as part of demerger	-	(190,786)
- Employee entitlements assumed as part of demerger	-	(127,717)
- On costs assumed as part of demerger	-	(20,975)
	<u>-</u>	<u>(339,478)</u>
	<u>1,284,963</u>	<u>654,787</u>

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**10: Legal & professional fees**

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
Accounting fees	7,750	3,435
<i>Auditors remuneration</i>		
Audit of financial report	13,500	19,000
<i>Legal fees (also refer to Note 11)</i>		
- Litigation	-	-
- Other legal matters	18,397	16,473
	<u>39,647</u>	<u>38,908</u>

**11: Additional member benefits**

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
Bereavement payments	-	10,000
Insurance – bereavement	9,633	50,486
– professional indemnity	39,537	29,135
– public liability	1,690	5,318
Member reward cards	1,866	17,275
Legal fees - members	47,359	10,620
Other	2,049	-
	<u>102,134</u>	<u>122,834</u>

**12: Occupancy**

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
Rental expenses on operating leases (minimum lease payments)	62,437	-
- Other reporting unit – HSU Vic No 1 Branch	-	17,165
Other occupancy expenses	15,068	204
	<u>77,505</u>	<u>17,369</u>



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**13: Current assets – Cash and cash equivalents**

	2014 \$	2013 \$
Cash on hand	120	506
Cash at bank	429,778	404,376
	<u>429,898</u>	<u>404,882</u>

**14: Current assets – Trade and other receivables**

	2014 \$	2013 \$
Prepayments	35,180	47,054
Membership fees due	4,194	20,847
Receivables from other reporting units (HSU Victoria No. 2 Branch)	2,441	-
Other receivables	-	59,738
	<u>41,815</u>	<u>127,639</u>

**15: Non-current assets – Property, plant and equipment**

	2014 \$	2013 \$
Furniture and fixtures		
At cost	55,658	-
Less accumulated depreciation	(11,098)	-
	<u>44,559</u>	<u>-</u>
Office equipment		
At cost	6,642	317
Less accumulated depreciation	(1,146)	(13)
	<u>5,495</u>	<u>304</u>
Computer equipment		
At cost	112,238	25,373
Less accumulated depreciation	(31,053)	(4,524)
	<u>81,185</u>	<u>20,849</u>
<b>Total property, plant and equipment</b>	<u>131,240</u>	<u>21,153</u>

**(a) Non-current assets pledged as security**

None of the non-current assets are pledged as security.

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15: Non-current assets – Property, plant and equipment (continued)

(b) 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 year:

	Motor vehicles	Furniture & fixtures	Office equipment	Computer equipment	Total
	\$		\$	\$	\$
2013					
Opening net book amount					
Acquired due to demerger	43,851	-	8,868	-	52,719
Additions	-	-	317	25,373	25,690
Disposals	(39,349)	-	(8,376)	-	(47,725)
Depreciation	(4,502)	-	(505)	(4,524)	(9,531)
Closing net book amount	-	-	304	20,849	21,153
2014					
Opening net book amount	-	-	304	20,849	21,153
Additions	-	55,658	6,324	86,865	148,847
Disposals	-	-	-	-	-
Depreciation	-	(11,098)	(1,133)	(26,529)	(38,760)
Closing net book amount	-	44,559	5,495	81,185	131,240

16: Non-current assets – Trade and other receivables

	2014	2013
	\$	\$
Rental deposit	17,534	17,380
Receivable from other reporting units		
- HSU Vic No 1 Branch	-	292,879
Less: Provision for doubtful debts	-	(101,665)
	<u>17,534</u>	<u>208,594</u>

17: Current liabilities – Trade and other payables

	2014	2013
	\$	\$
<i>Unsecured</i>		
Trade creditors and accruals	73,141	80,766
Consideration to employers for payroll deductions	-	-
Legal fees due	7,480	-
<i>Payables to other reporting units</i>		
- HSU National Office	-	1,880
	<u>80,621</u>	<u>82,646</u>

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<b>17: Current liabilities – Trade and other payables (continued)</b>	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Net GST payable	36,215	48,199
<i>Wages and salaries due</i>		
- officeholders	615	5,042
- employees other than officeholders	3,064	14,793
Membership fees received in advance	64,478	28,408
	<u>104,371</u>	<u>96,442</u>
	<u>184,993</u>	<u>179,088</u>

**18: Current liabilities – Provisions**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
<b>Employee Provisions:</b>		
<i>Holders of office:</i>		
Annual leave	13,898	4,420
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>13,898</u>	<u>4,420</u>
<i>Employees other than holders of office:</i>		
Annual leave	45,701	12,389
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>45,701</u>	<u>12,389</u>
	<u>59,599</u>	<u>16,809</u>

**19: Accumulated surplus**

	<b>2014</b>	<b>2013</b>
	<b>\$</b>	<b>\$</b>
Movements in the accumulated surplus were as follows:		
Net assets at the start of year (a)	566,371	411,028
Net (deficit)/surplus for the period	(190,475)	155,343
Balance 30 June	<u>375,896</u>	<u>566,371</u>

(a) On the 29<sup>th</sup> of June 2012, the Federal Court ordered the demerger of HSU East into the previously existing branches of the Union (NSW, Victoria Branch 1 and Victoria Branch 3 (VHPA)). An Administrator was appointed and as part of the administration, in terms of a Deed Poll dated 21 August 2012 the assets and liabilities of HSU East were distributed to the 3 entities. The opening balance for 2013 reflects the net assets distributed to the HSU No 3 Branch.

NOTES TO THE FINANCIAL STATEMENTS  
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**20: Contingencies**

There are no known contingent assets or liabilities at 30 June 2014.

**21: Events occurring after the reporting date**

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Branch, the results of those activities or the state of affairs of the Branch in the ensuing or any subsequent financial year.

**22: Commitments**

	2014	2013
<i>Operating lease commitments</i>	\$	\$
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	125,944	126,047
- later than one year but not later than five years	212,741	325,086
	<u>338,685</u>	<u>451,133</u>

*General description of leasing arrangement:*

The leases are related to the rental of office premises, vehicles and office equipment.

**23: Wage recovery activities**

All wage recovery activity has resulted in payments being made directly to members by employers. The branch has not derived any revenue in respect of these activities.

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**24: Cash flow information**

	1 July 2013 to 30 June 2014	21 Aug 2012 to 30 June 2013
<b>(a) Reconciliation of cash flow from operations with surplus for the period</b>	<b>\$</b>	<b>\$</b>
(Deficit)/surplus for the period	(190,475)	155,343
<i>Non-cash flows in surplus</i>		
Depreciation and amortisation	38,760	9,531
Net (gain) on disposal of property, plant and equipment	-	(4,548)
Impairment of HSU Vic No 1 Branch receivable	-	101,665
Other non-cash expenditure	-	21,279
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in receivables and prepayments	276,882	(56,376)
Increase in payables	5,904	179,088
Increase (Decrease) in provisions	42,790	(343,948)
Cash flows from operations	<u>173,862</u>	<u>62,034</u>
<b>(b) Cash inflows from reporting units</b>		
HSU Victoria No.1 Branch	<u>240,000</u>	<u>-</u>
<b>(c) Cash outflows to reporting units</b>		
HSU National Office	76,672	44,924
HSU Victoria No.1 Branch	-	36,977
	<u>76,672</u>	<u>81,901</u>

**25: Other information**

*(i) Going Concern*

The branch's ability to continue as a going concern is not reliant on financial support from another reporting unit.

*(ii) Financial Support*

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**26: Related party transactions**

(a) The members of the Branch Committee of Management during the year were:

<b>Name</b>	<b>Position</b>	<b>Date office taken</b>	<b>Date resigned</b>
Cheryl O'Connor (formerly Hale)	President	6 Mar 2013	
Joanne Ginn	Senior Vice President	6 Mar 2013	
Rebecca Barnden	Junior Vice President	6 Mar 2013	
Craig McGregor	Branch Secretary	28 Nov 2012	
Andrew Hewat	Assistant Secretary	28 Nov 2012	
Bruce Poole	Trustee	28 Nov 2012	
Jenni Bourke	Member	28 Nov 2012	
Anthony D'Amore	Trustee	6 Mar 2013	
Marni Jackson	Member	5 Mar 2014	
Scott Plowman	Member	25 Mar 2014	
Kim Vien	Member	05 Jun 2014	
Kaye Kingham	Member	06 Aug 2014	
Sam Tuck	Member	6 Mar 2013	31 Jul 2013
Julian Ginn	Member	28 Nov 2012	31 Dec 2013
Michael Hovenden	Member	28 Nov 2012	31 Dec 2013
Trish Pham	Member	28 Nov 2012	31 Dec 2013
Debra Gibbons	National Council	28 Nov 2012	5 Jun 2014

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**26: Related party transactions (Continued)**

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
(b) Key management personnel remuneration		
<b>Short-term employee benefits</b>		
Salary	211,079	102,505
Annual leave	18,067	3,299
<b>Total short-term employee benefits</b>	<u>229,146</u>	<u>105,804</u>
<b>Post-employment benefits:</b>		
Superannuation	20,979	9,433
<b>Total post-employment benefits</b>	<u>20,979</u>	<u>9,433</u>
<b>Other long-term benefits:</b>		
Long-service leave accrued	-	-
<b>Total other long-term benefits</b>	<u>-</u>	<u>-</u>
<b>Termination benefits</b>	-	175,050
<b>Total</b>	<u>250,125</u>	<u>290,287</u>

(c) There were no loans between the key management personnel or the committee of management and the branch.

(d) Transactions between key management personnel or the committee of management and the branch other than those relating to their membership of the branch and reimbursement by the branch in respect of expenses incurred by them in the performance of their duties are listed below. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

	1 July 2013 to 30 June 2014 \$	21 Aug 2012 to 30 June 2013 \$
<i>Industrial hardship payments</i>		
Scott Plowman	1,260	-
<b>Total</b>	<u>1,260</u>	<u>-</u>

(e) Outstanding balances arising from sales and purchases of goods and services:  
These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts.

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**26: Related party transactions (continued)**

	1 July 2013 to 30 June 2014	21 Aug 2012 to 30 June 2013
	\$	\$
(f) Transactions with related parties		
<i>Payments:</i>		
Capitation fee paid to the National Office	67,055	39,263
Rent paid to HSU Vic No 1 Branch	-	17,165
Service fee paid to HSU Vic No 1 Branch	-	12,524
<i>Other Payments:</i>		
Termination payment made to former HSU East officials in terms of a Deed Poll distributing assets and liabilities of the former HSU East Branch	-	175,050
	1 July 2013 to 30 June 2014	21 Aug 2012 to 30 June 2013
(g) Loans to related parties – HSU Vic No 1 Branch		\$
Loan amount brought forward (a)	191,214	297,788
Rent, service fees and insurances due to HSU Vic No 1 Branch	-	(63,052)
Insurances and other items paid on behalf of HSU Vic No 1 Branch	-	58,143
	191,214	292,879
Less: impairment	-	(101,665)
Adjustment arising from negotiated settlement	48,786	-
Payment received	(240,000)	-
Balance at 30 June	-	191,214

(a) This loan is interest free. The service fee and other costs and payments have been applied against the loan in line with the Transitional Services Agreement made with HSU Vic No 1 Branch. The amount of the loan balance was a matter of dispute with HSU Vic No 1 Branch at the time of preparation of the 2013 accounts, resulting in an allowance for impaired receivables of \$101,665. A negotiated settlement with HSU Vic No 1 Branch resulted in an upwards revaluation of \$48,786, and the outstanding balance was repaid in full.



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**27: Financial risk management**

The Branch's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The Branch's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Branch. The Branch uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by Committee of Management. The Committee of Management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

**(a) Market risk**

*(i) Foreign exchange risk*

The Branch is not exposed to foreign exchange risk.

*(ii) Price risk*

The Branch is not exposed to commodity price risk.

*(iii) Cash flow and fair value interest rate risk*

The Branch is not exposed to interest rate risk on liabilities. The Branch has investments in a variety of interest-bearing assets which have fixed interest rate and therefore not subject to interest rate volatility.

**(b) Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The Branch has no significant concentrations of credit risk.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2014	2013
	\$	\$
Cash at bank		
AA Rating	429,778	404,376

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**27: Financial risk management (continued)**

**(c) Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

*Maturity profile of financial instruments*

The maturity profile of financial assets and liabilities held are detailed below:

	Weighted average interest rate		Floating interest rate		1 year or less		1 to 5 years		Over 5 years		Total	
	\$ 2014	\$ 2013	\$ 2014	\$ 2013	\$ 2014	\$ 2013	\$ 2014	\$ 2013	\$ 2014	\$ 2013	\$ 2014	\$ 2013
<b>Financial Assets</b>												
Cash on hand	-	-	-	-	120	506	-	-	-	-	120	506
Cash at bank	2.47%	2.75 %	424,778	404,376	5,000	-	-	-	-	-	429,778	404,376
Trade receivables	-	-	-	-	4,194	57,500	-	-	-	-	4,194	57,500
Other receivables	-	-	-	-	37,622	2,238	-	-	-	-	37,622	2,238
Security deposits	-	-	-	-	17,534	17,380	-	-	-	-	17,534	17,380
Related party loan	-	-	-	-	-	191,214	-	-	-	-	-	191,214
			424,778	404,736	64,470	268,838	-	-	-	-	489,248	673,214
<b>Financial Liabilities</b>												
Trade and other payables	-	-	-	-	80,621	82,646	-	-	-	-	80,621	82,646
<b>Net Financial Assets</b>	-	-	424,778	404,376	(16,151)	186,192	-	-	-	-	408,627	590,568

**(d) Fair value estimation**

The carrying value of cash, trade receivables and trade payables are assumed to approximate their fair values due to their short-term nature.

The Branch does not have any financial instruments included in Level 1, Level 2 and level 3.

**(e) Sensitivity analysis**

As at 30 June 2014 the effect on the surplus as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2014	2013
	\$	\$
<i>Effect on results:</i>		
Increase of interest rates by 2% - increase surplus by	8,496	4,989
Decrease of interest rates by 2% - reduce surplus by	(8,496)	(4,989)

**HEALTH SERVICES UNION VICTORIA NO 3 BRANCH  
(VICTORIAN HEALTH PROFESSIONALS ASSOCIATION)  
ABN 38 106 461 384**

**STATEMENT BY COMMITTEE OF MANAGEMENT**

On 15-10-2014 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) for the period ended 30 June 2014:

The Committee of Management declares that in its opinion:

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Health Services Union Victoria No 3 Branch for the financial period to which they relate;
4. 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
5. during the financial year to which the GPFR relates and since the end that year:
  - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the Branch concerned; and
  - b. the financial affairs of Health Services Union Victoria No 3 Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of Health Services Union Victoria No 3 Branch have been kept and maintained in accordance with RO Act; and
  - d. 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
  - e. where information has been sought in any request by a member of Health Services Union Victoria No 3 Branch or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
6. All wage recovery activity has resulted in payments being made directly to members by employers. The branch has not derived any revenue in respect of these activities.

Signature of designated officer: 

Name of designated officer: Craig McGregor

Title of designated officer: Branch Secretary

Dated 17-10-2014

## Independent Audit Report to the members of Health Services Union Victoria No.3 Branch

### Report on the Financial Report

We have audited the accompanying financial report of Health Services Union Victoria No.3 Branch, which comprises the statement of financial position as at 30 June 2014, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

#### *Council's, Secretary's and Assistant Secretary's Responsibility for the Financial Report*

The Council, Secretary and Assistant Secretary of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Council, Secretary and Assistant Secretary determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

#### *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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 judgement, 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 of the financial report that gives a true and fair view 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 Union's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, Secretary and Assistant Secretary, 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 followed applicable independence requirements of Australian professional ethical pronouncements.

#### **Sydney Office**

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Health Services Union Victoria No.3 Branch

ABN: 38 106 461 384

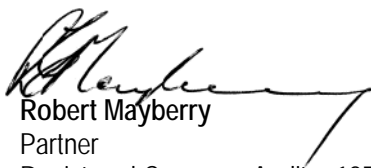
## Independent Audit Report to the members of Health Services Union Victoria No.3 Branch

### *Opinion*

In our opinion:

In our opinion the financial report of Health Services Union Victoria No.3 Branch is in accordance with the Fair Work (Registered Organisations) Act 2009, including:

- (a) giving a true and fair view of the Union's financial position as at 30 June 2014 and of its performance for the year ended 30 June 2014;
- (b) complying with Australian Accounting Standards; and
- (c) the use of the going concern assumption in relation to the preparation of the Financial Report is appropriate.



Robert Mayberry

Partner

Registered Company Auditor 185903

Fellow of the Institute of Chartered Accountants in Australia 20369

Holder of a current Certificate of Public Practice



Nexia Court & Co

Chartered Accountants

Sydney

Dated: 20 October 2014