



FAIR WORK
COMMISSION

11 November 2015

Mr Craig McGregor
Branch Secretary, Victoria No 3 Branch
Health Services Union

Sent via email: craig.mcgregor@vahpa.asn.au

Dear Mr McGregor

**Re: Lodgement of Financial Statements and Accounts – Health Services Union,
Victoria No 3 Branch - for year ended 30 June 2015 (FR2015/289)**

I refer to the financial report for the Victoria No 3 Branch of the Health Services Union. The report was lodged with the Fair Work Commission on 14 October 2015.

The financial report has been 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 the financial report for the year ending 30 June 2016 may be subject to an advanced compliance review.

Reporting Requirements

On the FWC website a number of factsheets in relation to the financial reporting process and associated timelines are available. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The FWC recommends reporting units use this model as it will assist in ensuring compliance with the *Fair Work (Registered Organisations) Act 2009*, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

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 (02) 6746 3283 or 0429 462 979 or by email at stephen.kellett@fwc.gov.au

Yours sincerely

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

From: KELLETT, Stephen
Sent: Wednesday, 11 November 2015 10:38 AM
To: 'craig.mcgregor@vahpa.asn.au'
Subject: Financial reporting - HSU, Vic No 3 Branch - y/e 30 June 2015 - filing

Dear Mr McGregor,

Please see attached my letter in relation to the above.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
(email) stephen.kellett@fwc.gov.au

From: Craig McGregor [<mailto:craig.mcgregor@vahpa.asn.au>]
Sent: Wednesday, 14 October 2015 6:18 PM
To: Orgs
Cc: Alex Leszczynski; Andrew Hewat; Neil Bowker
Subject: ON CMS FR2015/289 HSU VIC NO. 3 2015 Financial Report

To Whom it may concern

In accordance with s268 of FWROA.
Please find attached the Full Report for 2014-15 for HSU Victoria No. 3 Branch together with the prescribed designated officer certificate.

Regards
Craig McGregor
Secretary

Victorian Allied Health Professionals Association
Phone: 03 9269 6104 | Mobile: 0410 880 156
Street: Ground Floor, 351 William St, West Melbourne, Vic 3003
Post: PO Box 13286, Law Courts, Vic 8010
Email: craig.mcgregor@vahpa.asn.au | Web: www.vahpa.asn.au



The VAHPA acknowledges the Traditional Owners and Elders past and present across Australia. We acknowledge the Wurundjeri people of the Kulin Nation, the Traditional Owners of the lands on which our office is located.

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Health Services Union Victoria No. 3 Branch

(Victorian Allied Health Professionals Association)

s.268 Fair Work (Registered Organisations) Act 2009

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 30 June 2015

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 2015 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 14 October 2015; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 13 October 2015 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:

14 October 2015



HEALTH SERVICES UNION OF AUSTRALIA VIC NO 3 BRANCH

(VICTORIAN ALLIED HEALTH PROFESSIONALS ASSOCIATION)

ABN 38 106 461 384

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2015



TABLE OF CONTENTS

for the period ended 30 June 2015

Operating Report	2
Branch Committee of Management Statement	4
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	5
Statement of Financial Position	6
Statement of Changes in Equity	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 – 30
Independent Auditor's Report	31 – 32

This financial report covers the Health Services Union of Australia Vic No 3 Branch, ABN 38 106 461 384, as an individual entity. In 2014/15 the Health Services Union of Australia Vic No 3 Branch operated under the registered business name Victorian Health Professionals Association (VHPA), which was updated to Health Services Union of Australia Vic No. 3 Branch (the Branch) on 14 July 2015.

The financial report is presented in the Australian currency.

The Health Services Union of Australia Vic 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:

Victorian Allied Health Professionals Association
351 William St
WEST MELBOURNE VIC 3003

The financial report was authorised for issue by the Branch Committee of Management on the 13th day of October 2015.

OPERATING REPORT

for the period ended 30 June 2015

The Branch Committee of Management presents its report on the Health Services Union of Australia Vic No. 3 Branch for the financial period 1 July 2014 to 30 June 2015.

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 of Australia Vic No. 3 Branch (the Branch) is a specialist Union that promotes and defends the industrial, professional and democratic interests of our members.

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.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch during the period.

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.

Officers & employees who are superannuation fund trustee(s) or director of a company that is a superannuation fund trustee

To the best of our knowledge and belief, no officers or 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.

OPERATING REPORT

for the period ended 30 June 2015

Number of employees

The number of full time equivalent employees at 30 June 2015 was 11.4 (2014: 11.2).

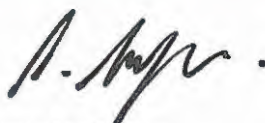
Number of members

The number of financial members at 30 June 2015 was 3,675 (2014: 3,479).

Names of Committee of Management members and period positions held during the financial year

Name	Position	Date office taken	Date resigned
Cheryl O'Connor	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	
Anthony D'Amore	Trustee	6 Mar 2013	
Jenni Bourke	Member	28 Nov 2012	26 Aug 2015
Marni Jackson	Member	5 Mar 2014	
Scott Plowman	Member	25 Mar 2014	
Kim Vien	Member	05 Jun 2014	
Kaye Kingham	Member	06 Aug 2014	

Signature of designated officer:



Name of designated officer: Craig McGregor

Title of designated officer: Branch Secretary

Dated:

13.10.15

BRANCH COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 30 June 2015

On 13th October 2014 the Committee of Management of the Health Services Union of Australia Vic No. 3 Branch (the Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the period ended 30 June 2015:

The Committee of Management declares that in its opinion:

- A) the financial statements and notes comply with Australian Accounting Standards;
- B) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Commission;
- C) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial period to which they relate;
- D) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- E) during the financial year to which the GPFR relates and since the end that year:
 - i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the Branch concerned; and
 - ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch concerned; and
 - iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
 - iv) the financial records of the Branch have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
 - v) where information has been sought in any request by a member of the Branch or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - vi) 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.
- F) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer:



Name of designated officer:

Craig McGregor

Title of designated officer:

Branch Secretary

Dated:

13.10.15

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 30 June 2015

	Note	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Revenue			
Membership subscriptions		1,801,392	1,646,653
Capitation fees	3A	-	-
Levies	3B	-	-
Gifts and donations	3C	10	3,305
Interest		10,941	6,485
Other revenue	3D	62,325	86,165
Total revenue		1,874,668	1,742,608
Expenses			
Employee expenses	4A	1,145,442	1,284,963
Affiliation, capitation fees and levies	4B	79,676	67,743
Administration expenses	4C	119,104	142,993
Audit fees	13	22,251	13,500
Communication expenses		44,129	36,826
Computer expenses		35,628	58,870
Grants and donations	4D	100	9,960
Legal and professional fees	4E	72,025	26,147
Additional member benefits	4F	115,782	102,134
Motor vehicle expenses		53,827	59,166
Travel expenses		10,533	13,122
Occupancy expenses	4G	98,868	77,505
Delegate and BCOM expenses		2,173	1,394
Depreciation and amortisation	4H	52,602	38,760
Total expenses		1,852,140	1,933,083
Profit (loss) for the year		22,528	(190,475)
Other comprehensive income		-	-
Total comprehensive income for the year		22,528	(190,475)

STATEMENT OF FINANCIAL POSITION

as at 30 June 2015

	Note	2015 \$	2014 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	183,994	429,898
Trade and other receivables	5B	45,703	41,815
Held-to-maturity investments	5C	311,480	-
Inventories		6,228	-
Total current assets		547,405	471,713
Non-Current Assets			
Property, plant and equipment	6A	121,483	131,240
Trade and other receivables	6B	18,686	17,534
Total non-current assets		140,169	148,774
Total assets		687,574	620,487
LIABILITIES			
Current Liabilities			
Trade and other payables	7A	219,594	184,993
Employee Provisions	7B	69,556	59,599
Total current liabilities		289,150	244,592
Total Liabilities		289,150	244,592
Net assets		398,424	375,896
MEMBERS' FUNDS			
Accumulated surplus	8	398,424	375,896
Total members' funds		398,424	375,896

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2015

	Note	Accumulated Surplus \$	Total \$
Balance as at 1 July 2013		566,371	566,371
Profit for the year		(190,475)	(190,475)
Other comprehensive income		-	-
Closing balance as at 30 June 2014		<u>375,896</u>	<u>375,896</u>
Balance as at 1 July 2014		375,896	375,896
Profit for the year		22,528	22,528
Other comprehensive income		-	-
Closing balance as at 30 June 2015		<u>398,424</u>	<u>398,424</u>

STATEMENT OF CASH FLOWS

for the period ended 30 June 2015

	Note	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received			
Membership fees received		2,021,029	1,864,041
Receipts from other reporting units	9B	7,307	240,000
Interest received		10,941	6,485
Other receipts		45,473	15,131
Cash used			
Payments to employees		(1,049,278)	(1,157,435)
Payments to suppliers		(815,540)	(717,688)
Payments to other reporting units	9C	(107,227)	(76,672)
Net cash inflow (outflow) from operating activities	9A	112,705	173,862
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(47,129)	(148,846)
Purchase of held-to-maturity investments		(311,480)	-
Net cash inflow (outflow) from investing activities		(358,609)	(148,846)
Net increase (decrease) in cash and cash equivalents		(245,904)	25,016
Cash and cash equivalents at the beginning of the reporting period		429,898	404,882
Cash and cash equivalents at the end of the reporting period	5A	183,994	429,898

INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2015

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Revenue
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Accumulated surplus
Note 9	Cash flow
Note 10	Contingencies
Note 11	Commitments
Note 12	Related party disclosures
Note 13	Remuneration of auditors
Note 14	Financial risk management
Note 15	Section 272 Fair Work (Registered Organisations) Act 2009
Note 16	Wage recovery activities

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Note 1A: Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

Note 1B: Comparative amounts

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

Note 1C: Significant accounting judgements and estimates

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.

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.

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.

Note 1D: New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards, which have been adopted for the first time this financial year:

- AASB 10 *Consolidated Financial Statements* redefines the concept of control. AASB 10 replaces the consolidation requirements of SIC-12 Consolidation—Special Purpose Entities and AASB 127 Consolidated and Separate Financial Statements and is effective for not-for-profit entities with annual periods beginning on or after 1 January 2014. This Standard did not have an impact on the Branch.
- AASB 11 *Joint Arrangements* sets out a new framework for the accounting for joint ventures, including removal of the option to use proportionate consolidation. This Standard did not have an impact on the Branch.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

- AASB 12 *Disclosures of Interests in Other Entities* is a disclosure standard that includes all of the disclosure requirements for subsidiaries, joint arrangements, associates and consolidated and unconsolidated structured entities. This Standard did not have an impact on the Branch.

Note 1E: Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Note 1F: Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

Note 1G: Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The Branch recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Note 1H: Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Note 1I: Borrowing costs

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

Note 1J: Cash

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

Note 1K: Financial instruments

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Note 1L: Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

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.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Note 1M: Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

Note 1N: Property, Plant and Equipment

Asset Recognition Threshold

Purchases of property, plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are:

<i>Class of fixed asset</i>	<i>Depreciation rate</i>
Office equipment	25-50%
Computer equipment	20-33.3%
Furniture and fixtures	20-33.3%
Computer software	20-33.3%

Derecognition

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Note 1O: Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2015

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Note 1P: Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

Note 1Q: Taxation

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

Note 1R: Going concern

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

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

NOTE 2: EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

NOTE 3: REVENUE

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 3A: Capitation fees		
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 3B: Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 3C: Grants and donations received		
Grants received	-	-
Donations received	10	3,305
Total grants and donations received	<u>10</u>	<u>3,305</u>

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 3D: Other revenue		
Gain on HSU Vic 1 loan settlement	-	54,526
Other revenue	62,325	31,639
Total other revenue	<u>62,325</u>	<u>86,165</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

NOTE 4: EXPENSES

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 4A: Employee expenses		
Holders of office		
Wages and salaries	158,759	211,079
Superannuation	16,845	20,979
Leave and other entitlements	21,038	18,067
Separation and redundancies	-	-
Other employee expenses	-	-
Total holders of office	196,642	250,125
Employees other than holders of office		
Wages and salaries	695,339	756,699
Superannuation	72,763	73,827
Leave and other entitlements	93,702	97,251
Separation and redundancies	6,426	19,351
Other employee expenses	-	-
Total employees other than holders of office	868,230	947,128
Other staff costs		
Fringe benefits tax	11,960	15,840
Payroll tax	50,861	54,629
Workers compensation	10,917	5,846
Seminars and training	5,376	9,400
Staff recruitment	150	465
Other	1,306	1,530
Total other staff costs	80,570	87,710
Total employee expenses	1,145,442	1,284,963

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 4B: Affiliation, capitation fees and levies		
Affiliation fees		
Geelong Trades Hall Council	713	688
South-West Trades and Labour Council	198	-
Capitation fees		
Health Services Union – National Office	78,765	67,055
Total affiliation, capitation fees and levies	79,676	67,743

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

Note 4C: Administration Expenses

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Bank charges and fees	28,160	25,804
Compulsory levies	-	-
Conference and meeting expenses	7,044	10,940
Conference and meeting allowances	-	-
Consideration to employers for payroll deductions	-	-
Insurance - general	19,669	18,131
Telephone and internet	29,886	26,828
Penalties – RO Act or RO Regulations	-	-
Postage and courier	12,616	14,632
Printing and stationery	7,474	27,748
Other expenses	14,255	18,910
Total administration expenses	<u>119,104</u>	<u>142,993</u>

Note 4D: Grants and donations

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	100	6,720
Total paid that exceeded \$1,000	-	3,240
Total grants or donations	<u>100</u>	<u>9,960</u>

Note 4E: Legal and professional fees

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Accounting fees	-	7,750
Legal fees (refer also to Note 4F)		
Litigation	-	-
Other legal matters	72,025	18,397
Total legal and professional fees	<u>72,025</u>	<u>26,147</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 4F: Additional member benefits		
Insurance		
Bereavement	-	9,633
Professional indemnity & public liability	41,567	41,227
Legal fees - members		
Litigation	68,899	47,359
Other legal matters	-	-
Other	5,316	3,915
Total additional member benefits	<u>115,782</u>	<u>102,134</u>

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 4G: Occupancy		
Rental expenses on operating lease	88,223	62,437
Other occupancy expenses	10,645	15,068
Total occupancy	<u>98,868</u>	<u>77,505</u>

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 4H: Depreciation and amortisation		
Furniture and fixtures	13,097	11,098
Office equipment	1,846	1,133
Computer equipment	29,533	26,529
Computer software	8,126	-
Total depreciation and amortisation	<u>52,602</u>	<u>38,760</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

NOTE 5: CURRENT ASSETS

	2015 \$	2014 \$
Note 5A: Cash and cash equivalents		
Cash on hand	2,105	120
Cash at bank	181,889	429,778
Total cash and cash equivalents	183,994	429,898

	2015 \$	2014 \$
Note 5B: Trade and other receivables (current)		
Prepayments	38,632	35,180
Membership fees due	4,812	4,194
Receivables from other reporting units (HSU Vic No 2 Branch)	2,259	2,441
Provision for doubtful debts	-	-
Total trade and other receivables	45,703	41,815

	2015 \$	2014 \$
Note 5C: Held-to-maturity investments		
ME Bank term deposit	306,302	-
Bendigo Bank term deposit	5,178	-
Total held-to-maturity investments	311,480	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

NOTE 6: NON-CURRENT ASSETS

	2015 \$	2014 \$
Note 6A: Property, plant and equipment		
Furniture and fixtures		
At cost	65,319	55,658
Less accumulated depreciation	(24,195)	(11,098)
	<u>41,124</u>	<u>44,560</u>
Office equipment		
At cost	9,035	6,641
Less accumulated depreciation	(2,992)	(1,146)
	<u>6,043</u>	<u>5,495</u>
Computer equipment (1)		
At cost	99,173	95,913
Less accumulated depreciation	(60,585)	(31,053)
	<u>38,588</u>	<u>64,860</u>
Software		
At cost	43,854	16,325
Less accumulated depreciation	(8,126)	-
	<u>35,728</u>	<u>16,325</u>
Total property, plant and equipment	<u>121,483</u>	<u>131,240</u>

(1) Computer software purchased in 2014 and recorded as computer equipment was reclassified as Software in 2015

Movements in Carrying Amounts

	Furniture and fixtures	Office equipment	Computer equipment	Software	Total
2014					
Opening net book amount	-	304	20,849	-	21,153
Additions	55,658	6,324	70,540	16,325	148,847
Disposals	-	-	-	-	-
Depreciation	(11,098)	(1,133)	(26,529)	-	(38,760)
Closing net book amount	<u>44,560</u>	<u>5,495</u>	<u>64,860</u>	<u>16,325</u>	<u>131,240</u>
2015					
Opening net book amount	44,560	5,495	64,860	16,325	131,240
Additions	9,661	2,394	3,261	27,529	42,845
Disposals	-	-	-	-	-
Depreciation	(13,097)	(1,846)	(29,533)	(8,126)	(52,602)
Closing net book amount	<u>41,125</u>	<u>6,043</u>	<u>38,588</u>	<u>35,728</u>	<u>121,483</u>

Property, plant and equipment pledged as security

None of the property, plant and equipment is pledged as security

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

	2015 \$	2014 \$
Note 6B: Trade and other receivables (non-current)		
Rental deposit	18,686	17,534
Total trade and other receivables	<u>18,686</u>	<u>17,534</u>

NOTE 7: CURRENT LIABILITIES

	2015 \$	2014 \$
Note 7A: Trade and other payables		
Trade creditors and accruals	70,826	73,141
Consideration to employers for payroll deductions	-	-
Legal fees due	-	7,480
Payables to other reporting units		
HSU NSW Branch	22	-
Net GST payable	34,116	36,215
Wages and salaries due		
Officeholders	1,696	615
Employees other than officeholders	6,295	3,064
Membership fees received in advance	106,639	64,478
Total trade and other payables	<u>219,594</u>	<u>184,993</u>

	2015 \$	2014 \$
Note 7B: Employee Provisions		
Holders of office:		
Annual leave	13,072	13,898
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>13,072</u>	<u>13,898</u>
Employees other than holders of office:		
Annual leave	56,484	45,701
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>56,484</u>	<u>45,701</u>
Total employee provisions	<u>69,556</u>	<u>59,599</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

NOTE 8: ACCUMULATED SURPLUS

	2015 \$	2014 \$
Net assets at start of year	375,896	566,371
Net surplus (deficit) for the year	22,528	(190,475)
Net assets at end of year	<u>398,424</u>	<u>375,896</u>

NOTE 9: CASH FLOW

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 9A: Cash flow reconciliation		
Reconciliation of cash flow from operations with surplus for the period		
Surplus / (deficit) for the period	22,528	(190,475)
Non-cash flows in surplus		
Depreciation and amortisation	52,602	38,760
Changes in assets and liabilities		
(Increase) in inventories	(6,228)	-
(Increase) / decrease in receivables and prepayments	(5,039)	276,882
Increase in payables	38,885	5,904
Increase in provisions	9,957	42,791
Cash flows from operations	<u>112,705</u>	<u>173,862</u>

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 9B: Receipts from other reporting units		
HSU National Office	3,479	-
HSU Victoria No 1 Branch	-	240,000
HSU Victoria No 2 Branch	2,442	-
HSU NSW Branch	1,386	-
Total receipts from other reporting units	<u>7,307</u>	<u>240,000</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 9C: Payments to other reporting units		
HSU National Office	93,851	76,672
HSU NSW Branch	13,376	-
Total payments to other reporting units	<u>107,227</u>	<u>76,672</u>

NOTE 10: CONTINGENCIES

There are no known contingent assets or liabilities at 30 June 2015.

NOTE 11: COMMITMENTS

	2015 \$	2014 \$
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	132,779	125,944
- later than one year but not later than five years	93,633	212,741
Total commitments	<u>226,412</u>	<u>338,685</u>

General description of leasing arrangement:

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

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

NOTE 12: RELATED PARTY DISCLOSURES

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 12A: Related party transactions for the reporting period		
Receipts from HSU National Office Admin expense recovered	<u>3,479</u>	<u>-</u>
Receipts from HSU Vic No 2 Branch Admin expense recovered	<u>2,442</u>	<u>-</u>
Receipts from HSU NSW Branch Membership fees recovered	<u>1,386</u>	<u>-</u>
Payments to HSU National Office Capitation fee	86,641	67,055
Admin expense recovered	<u>7,210</u>	<u>-</u>
	<u>93,851</u>	<u>67,055</u>
Payments to HSU NSW Branch Admin expense recovered	<u>13,376</u>	<u>-</u>
Amounts owed to HSU NSW Branch Membership fees recovered overpayment	<u>22</u>	<u>-</u>
Amounts owed to HSU Vic No 1 Branch Loan amount brought forward	-	191,214
Adjustment arising from negotiated settlement	-	48,786
Payment received	-	<u>(240,000)</u>
Balance at 30 June	<u>-</u>	<u>-</u>
	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 12B: Key management personnel remuneration for the reporting period		
Short-term employee benefits:		
Salary	158,759	211,079
Annual leave	21,038	18,067
Total short-term employee benefits	<u>179,797</u>	<u>229,146</u>
Post-employment benefits:		
Superannuation	16,845	20,979
Total post-employment benefits	<u>16,845</u>	<u>20,979</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Note 12B: Key management personnel remuneration for the reporting period (continued)		
Other long-term benefits		
Long-service leave accrued	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel remuneration for the reporting period	196,642	250,125

Note 12C: Transactions with key management personnel and their close family members

Loans to / from key management personnel and their close family members

There were no loans between the key management personnel of the committee of management or their close family members and the Branch.

Other transactions with key management personnel and their close family members

Transactions between key management personnel, the committee of management or their close family members 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 it is reasonable to expect would have been adopted by parties at arm's length.

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Industrial hardship payment – Scott Plowman	-	840
Related party transaction Plakkit Pty Ltd – see notes 12F & 12G	13,442	-
Total	13,442	840

In addition to the above disclosures, it is noted that a payment of \$1,395 was made to Workplace Training and Advisory Pty Ltd for registration fee for Branch Committee of Management member Joanne Ginn to attend the Australian Women's Leadership Symposium.

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

Note 12D: Rule 85 disclosure – Disclosure of remuneration and non-cash benefits by Officers

Position	Name	Organisation / Board	Remuneration
Branch Assistant Secretary	Andrew Hewat	AHPRA	\$655.00 wage plus \$62.22 super. \$512 was subsequently passed on to the Branch, being the after-tax wage component.

Note 12E: Rule 86 disclosure – Disclosure of remuneration paid to the highest paid Officers

Position	Name	Salary	Non-cash benefit: Superannuation	Non-cash benefit: Vehicle	Board payment
Branch Secretary	Craig McGregor	\$132,733.26	\$12,365.53	\$4,729.50	-
Branch Assistant Secretary	Andrew Hewat	\$46,084.22	\$4,377.99	-	\$717.12 (a)

(a) Includes \$62.22 superannuation, see note 12D

Note 12F: Rule 87 disclosure – Disclosure of material personal interests

Name of officer:	Craig McGregor
Position Held:	Branch Secretary
Material Personal Interest:	The brother of the Officer is the owner and director of Plakkit Pty Ltd, a business engaged to print and distribute posters as part of the Community Health campaign. Quotes were sourced from three providers and a Procurement Report generated. The Branch Committee of Management made an assessment of all relevant documents including the Procurement Report and awarded the work to Plakkit Pty Ltd, recorded as BCOM Resolutions BC072/2014, BC099/2014 and BC0119/2014. The relevant Officer declared the interest prior to any decision being made, and properly disqualified himself from the selection process.

Note 12G: Rule 88 disclosure – Disclosure of payments

Payments to Plakkit Pty Ltd for printing and distribution of posters:

Date	Amount
24/11/2014	\$2,640.00
29/09/2014	\$10,802.00
Total payments	<u>\$13,442.00</u>

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

NOTE 13: REMUNERATION OF AUDITORS

	1 July 2014 to 30 June 2015 \$	1 July 2013 to 30 June 2014 \$
Financial statement audit services	14,000	13,500
Other services	8,251	-
Total remuneration of auditors	22,251	13,500

NOTE 14: 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.

Note 14A: Market risk

Foreign exchange risk

The Branch is not exposed to foreign exchange risk.

Price risk

The Branch is not exposed to commodity price risk.

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.

Note 14B: 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:

	2015 \$	2014 \$
Cash at bank		
AA rating	71,345	429,778
A rating	110,544	-
Held to maturity investments		
A rating	311,480	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

Note 14C: 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 is detailed below

	On demand		1 year or less		1 to 5 years		Over 5 years		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Cash on hand	2,105	120	-	-	-	-	-	-	2,105	120
Cash at bank	181,889	429,778	-	-	-	-	-	-	181,889	429,778
Held to maturity investments	-	-	311,480	-	-	-	-	-	311,480	-
Trade receivables	-	-	4,812	4,194	-	-	-	-	4,812	4,194
Other receivables	-	-	40,891	37,622	-	-	-	-	40,891	37,622
Security deposits	-	-	18,686	17,534	-	-	-	-	18,686	17,534
	183,994	429,898	375,869	59,350	-	-	-	-	559,863	489,248
Financial Liabilities										
Trade and other payables	-	-	(104,964)	(80,621)	-	-	-	-	(104,964)	(80,621)
Net Financial Assets	183,994	429,898	270,905	(21,271)	-	-	-	-	454,899	408,627

Note 14D: 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.

Note 14E: Sensitivity analysis

As at 30 June 2015 the effect on the surplus as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2015	2014
	\$	\$
Increase of interest rates by 2% - increase surplus by	10,241	8,496
Decrease of interest rates by 2% - decrease surplus by	(10,241)	(8,496)

NOTES TO THE FINANCIAL STATEMENTS (continued)

for the period ended 30 June 2015

NOTE 15: 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 reads as follows:

Information to be provided to members or the General Manager:

- (1) a member 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).

NOTE 16: WAGE RECOVERY ACTIVITIES

No revenue has been derived from undertaking recovery of wages activity during the reporting period.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH SERVICES UNION OF AUSTRALIA VIC NO. 3 BRANCH

Report on the Financial Report

We have audited the accompanying financial report of Health Services Union of Australia Vic No. 3 Branch which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, notes a summary of significant accounting policies, other explanatory notes and the branch committee of management statement.

Branch Committee of Management, Secretary and Assistant Secretary's Responsibility for the Financial Report

The Branch Committee of Management, Secretary and Assistant Secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Branch Committee of Management, 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. These 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 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 entity'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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Committee of Management, 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 have complied with the independence requirements of Australian professional ethical pronouncements.

Sydney Office

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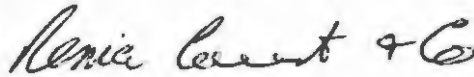
Independent member of Nexia International



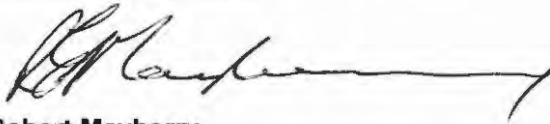
Opinion

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

- (a) giving a true and fair view of the Branch's financial position as at 30 June 2015 and of its performance for the year ended on that date; and
- (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.



Nexia Court & Co
Chartered Accountants



Robert Mayberry
Partner
Registered Company Auditor 185903
Fellow of the Institute of Chartered Accountants in Australia 20369
Holder of current Certificate of Public Practice

Sydney

Dated: 13 October 2015



11 August 2015

Mr Craig McGregor
Branch Secretary
Health Services Union-Victoria No. 3 Branch
Sent via email: info@vhpa.asn.au

Dear Mr McGregor,

**Re: Lodgement of Financial Report - [FR2015/289]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Health Services Union-Victoria No. 3 Branch (the reporting unit) ended on 30 June 2015.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date under s.268 of the RO Act, namely 15 January 2016 (being the expiry date of 6 months and 14 days from the end of the financial year).

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. Further, the General Manager's updated Reporting Guidelines that apply to all financial reports prepared on or after 30 June 2014 are also available on the website supported by a webinar presentation.

The Fair Work Commission has developed a model set of financial statements. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards. The model statement and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

I request that the financial report and any statement of loans, grants or donations made during the financial year (statement must be lodged within 90 days of end of financial year) be emailed, rather than posted, to orgs@fwc.gov.au. A sample statement of loans, grants or donations is available at [sample documents](#).

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issued with the possibility of a pecuniary penalty (up to \$51,000 for a body corporate and \$10,200 for an individual per contravention) being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7796 or via email at Sam.Gallichio@fwc.gov.au.

Yours sincerely,

Sam Gallichio
Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /	
Prepare financial statements and Operating Report.		
<p>(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.</p> <p>(b) A # designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).</p>	/ /	As soon as practicable after end of financial year
Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /	<p>Within a reasonable time of having received the GPFR</p> <p>(NB: Auditor's report must be dated on or after date of Committee of Management Statement</p>
<p>Provide full report free of charge to members – s265</p> <p>The full report includes:</p> <ul style="list-style-type: none"> the General Purpose Financial Report (which includes the Committee of Management Statement); the Auditor's Report; and the Operating Report. 	/ /	<p>(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,</p> <p>or</p> <p>(b) in any other case including where the report is presented to a Committee of Management meeting*, the report must be provided to members within 5 months of end of financial year.</p>
Present full report to:		
(a) General Meeting of Members - s266 (1),(2); OR	/ /	Within 6 months of end of financial year
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /	Within 6 months of end of financial year
Lodge full report with the Fair Work Commission, together with the #Designated Officer's certificate++ – s268	/ /	Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.