



FAIR WORK
COMMISSION

17 November 2016

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

By 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 2016 (FR2016/204)**

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 13 October 2016. An amended Designated Officer's Certificate was received on 16 November 2016.

The financial report has been filed based on a primary review. This involved confirming whether 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.¹

Please note that the financial report for the year ending 30 June 2017 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 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

¹ The full range of disclosure requirements that may apply can be found itemised on the advanced assessment form available at <https://www.fwc.gov.au/documents/documents/organisations/factsheets/org-financial-report-checklist-advanced.pdf>

From: KELLETT, Stephen
Sent: Thursday, 17 November 2016 11:38 AM
To: 'craig.mcgregor@vahpa.asn.au'
Subject: Financial reporting - Vic No 3 Branch - y/e 30 June 2016 - filing

Dear Mr McGregor,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

(ph) (02) 6746 3283
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HSU VIC No 3
FR2016 204 (primary)

From: Craig McGregor <craig.mcgregor@vahpa.asn.au>
Date: Wednesday, 16 November 2016 1:33 pm
To: Fair Work FWC <orgs@fwc.gov.au>
Cc: Andrew Hewat <andrew.hewat@vahpa.asn.au>, Alex Leszczynski <alex.leszczynski@vahpa.asn.au>, Chris Brown <chrisb@hsu.net.au>
Subject: HSU Vic No. 3 Financial Reporting 2015-16

To Whom it may concern

In accordance with s268 of FWROA.

Please find attached the Full Report for 2015-16 for Health Services Union 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



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.

This message and any attachments are for the intended recipient and may contain confidential or privileged information. Only the intended recipient may access, use, copy or deliver it. If you have received this email in error, please reply to us immediately and delete the email and any attachments. Please advise immediately if you or your employer do not consent to the use of email for messages of this kind. Protecting your personal information is important to us. Our Privacy Statement (<http://vahpa.asn.au/vhpa-privacy-policy/>) explains how we collect, use, share and hold your personal information.



HSU Vic No. 3 GPFR HSU Vic 3 Certificate
2015-16 FINAL [16 Nby Prescribed Design:

16 November 2016

**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 2016

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 2016 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 16 November 2016; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 15 November 2016 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:

16 November 2016



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 2016



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This financial report covers the Health Services Union of Australia Vic No 3 Branch, ABN 38 106 461 384, as an individual entity. In 2015/16 the Health Services Union of Australia Vic No 3 Branch operated under the registered business names Victorian Health Professionals Association (VHPA) and later, effective as at 03 August 2015, Victorian Allied Health Professionals Association (VAHPA).

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 11th day of October 2016.

OPERATING REPORT

for the period ended 30 June 2016

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 2015 to 30 June 2016.

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 representation 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 2016

Number of employees

The number of full time equivalent employees at 30 June 2016 was 11.4 (2015: 11.4)

Number of members

The number of financial members at 30 June 2016 was 4,272 (2015: 3,675).

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	06 Mar 2013	
Joanne Ginn	Senior Vice President	06 Mar 2013	
Craig McGregor	Branch Secretary	28 Nov 2012	
Andrew Hewat	Assistant Secretary	28 Nov 2012	
Anthony D'Amore	Trustee	06 Mar 2013	
Jenni Bourke	Member	28 Nov 2012	27 August 2015
Marni Jackson	Member	05 Mar 2014	
Bruce Poole	Trustee	28 Nov 2012	30 May 2016
Scott Plowman	Member	25 Mar 2014	12 July 2016
Scott Plowman	Trustee	12 July 2016	
Bernada Cavka	Member	12 July 2016	
Kim Vien	Member	05 Jun 2014	
Kaye Kingham	Member	06 Aug 2014	
Sandra McCallum	Member	04 Dec 2015	
Rebecca Barnden	Junior Vice President	06 Mar 2013	26 August 2016

Signature of designated officer:



Name of designated officer: Craig McGregor

Title of designated officer: Branch Secretary

Dated: 12 October 2016

BRANCH COMMITTEE OF MANAGEMENT STATEMENT


for the period ended 30 June 2016

On 11th October 2016 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 2016:

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: 12 October 2016

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the period ended 30 June 2016

	Note	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Revenue			
Membership subscriptions		2,045,803	1,801,392
Capitation fees	3A	-	-
Levies	3B	-	-
Gifts and donations	3C	-	10
Interest		12,538	10,941
Other revenue	3D	182	62,325
Total revenue		2,058,523	1,874,668
Expenses			
Employee expenses	4A	1,258,782	1,145,442
Affiliation, capitation fees and levies	4B	107,945	79,676
Administration expenses	4C	126,194	119,104
Audit fees	13	14,400	22,251
Communication expenses		128,254	44,129
Computer expenses		39,109	35,628
Grants and donations	4D	20,500	100
Legal and professional fees	4E	25,028	72,025
Additional member benefits	4F	55,101	115,782
Motor vehicle expenses		53,615	53,827
Travel expenses		5,054	10,533
Occupancy expenses	4G	104,586	98,868
Delegate and BCOM expenses		1,602	2,173
Depreciation and amortisation	4H	54,337	52,602
Total expenses		1,994,507	1,852,140
Profit (loss) for the year		64,016	22,528
Other comprehensive income		-	-
Total comprehensive income for the year		64,016	22,528

STATEMENT OF FINANCIAL POSITION

as at 30 June 2016

	Note	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	331,030	183,994
Trade and other receivables	5B	86,328	45,703
Held-to-maturity investments	5C	311,677	311,480
Inventories		10,983	6,228
Total current assets		740,018	547,405
Non-Current Assets			
Property, plant and equipment	6A	93,463	121,483
Trade and other receivables	6B	-	18,686
Total non-current assets		93,463	140,169
Total assets		833,481	687,574
LIABILITIES			
Current Liabilities			
Trade and other payables	7A	275,766	219,594
Employee Provisions	7B	95,275	69,556
Total current liabilities		371,041	289,150
Total Liabilities		371,041	289,150
Net assets		462,440	398,424
MEMBERS' FUNDS			
Accumulated surplus	8	462,440	398,424
Total members' funds		462,440	398,424

STATEMENT OF CHANGES IN EQUITY

for the period ended 30 June 2016

	Note	Accumulated Surplus \$	Total \$
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>
Balance as at 1 July 2015		398,424	398,424
Profit for the year		64,016	64,016
Other comprehensive income		-	-
Closing balance as at 30 June 2016		<u>462,440</u>	<u>462,440</u>

STATEMENT OF CASH FLOWS

for the period ended 30 June 2016

	Note	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received			
Membership fees received		2,244,435	2,021,029
Receipts from other reporting units	9B	5,967	7,307
Interest received		11,965	10,941
Other receipts		182	45,473
Cash used			
Payments to employees		(1,258,784)	(1,049,278)
Payments to suppliers		(695,529)	(815,540)
Payments to other reporting units	9C	(134,883)	(107,227)
Net cash inflow (outflow) from operating activities	9A	<u>173,353</u>	<u>112,705</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(26,317)	(47,129)
Purchase of held-to-maturity investments		-	(311,480)
Net cash inflow (outflow) from investing activities		<u>(26,317)</u>	<u>(358,609)</u>
Net increase (decrease) in cash and cash equivalents		147,036	(245,904)
Cash and cash equivalents at the beginning of the reporting period		<u>183,994</u>	<u>429,898</u>
Cash and cash equivalents at the end of the reporting period	5A	<u>331,030</u>	<u>183,994</u>

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for the period ended 30 June 2016

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NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

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 AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future reporting periods. The Union has decided against early adoption of these standards. The following table summarises those future requirements, and their impacts on the union.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standard Name	Effective Date for Entity	Requirements	Impact
AASB 2015-1 - Annual Improvements to Australian Accounting Standards 2012-2014	30 June 17	This Standard makes amendments to various Accounting Standards arising from namely: AASB 5 – changes in methods of disposal from sale to distribution AASB 7 – applicability of disclosures to servicing contracts and interim financial statements; AASB 119 – clarifies that the government bond rate used in measuring employee benefits should be those denominated in the same currency.	The impact of this standard has not yet been determined.
AASB 2016-2 – Amendments to Australian Accounting Standards – Disclosure initiative:	30 June 2018	This Standard amends AASB 107 Statement of Cash Flows to include additional disclosures and reconciliation relating to changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes.	The impact of this is expected to be minimal.
AASB 2015-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101	30 June 2017	The Standard makes amendments to AASB 101 Presentation of Financial Statements arising from the IASB's Disclosure Initiative project.	The impact of this standard is expected to be minimal.
AASB 2016-3 - Amendments to Australian Accounting Standards – Clarifications to AASB 15	30 June 2019	This Standard amends AASB 15 Revenue from Contracts with Customers to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. In addition, it provides further practical expedients on transition to AASB 15.	The impact of this standard has not yet been determined.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 15 - Revenue from Contracts with Customers	30 June 19	AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps: a) identify the contract with a customer; b) identify the separate performance obligations in the contract; c) determine the transaction price; d) allocate the transaction price to the separate performance obligations in the contract; and e) recognise revenue when (or as) the entity satisfies a performance obligation. Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.	The impact of this standard has not yet been determined.
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NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 9 Financial Instruments	30 June 19	<p>AASB 9 (2014) includes requirements for the classification and measurement of financial assets and incorporates amendments to the accounting for financial liabilities and hedge accounting rules to remove the quantitative hedge effectiveness tests and have been replaced with a business model test. AASB 9 improves and simplifies the approach for classification and measurement of financial assets compared with the requirements of AASB 139 as follows:</p> <p>a) Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>b) Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c) Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>d) Where the fair value option is used for financial liabilities the change in fair value is to be accounted for as follows:</p> <p>i) The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</p> <p>ii) The remaining change is presented in profit or loss.</p> <p>AASB 2012-6 also modifies the relief from restating prior periods by amending AASB 7 to require additional disclosures on transition to AASB 9 in some circumstances. Consequential amendments were also made to other standards as a result of AASB 9 by AASB 2014-7 and AASB 2014-8.</p>	<p>The impact of AASB 9 has not yet been determined as the entire standard has not been released.</p>
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NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

AASB 16 - Leases	30 June 19	AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment).	The impact of this standard is expected to be minimal.
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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.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 assets, 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

for the period ended 30 June 2016

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

NOTE 3: REVENUE

Note 3A: Capitation fees

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Capitation fees	-	-
Total capitation fees	<u>-</u>	<u>-</u>

Note 3B: Levies

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Levies	-	-
Total levies	<u>-</u>	<u>-</u>

Note 3C: Grants and donations received

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Grants received	-	-
Donations received	-	10
Total grants and donations received	<u>-</u>	<u>10</u>

Note 3D: Other revenue

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Gain on HSU Vic 1 loan settlement	-	-
Other revenue	182	62,325
Total other revenue	<u>182</u>	<u>62,325</u>

NOTE 4: EXPENSES

Note 4A: Employee expenses

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Holders of office		
Wages and salaries	204,178	158,759
Superannuation	19,217	16,845
Leave and other entitlements	17,563	21,038
Separation and redundancies	-	-
Other employee expenses	-	-
Total holders of office	<u>240,958</u>	<u>196,642</u>
Employees other than holders of office		
Wages and salaries	713,325	695,339
Superannuation	78,119	72,763
Leave and other entitlements	128,676	93,702
Separation and redundancies	5,776	6,426
Other employee expenses	-	-
Total employees other than holders of office	<u>925,896</u>	<u>868,230</u>
Other staff costs		
Fringe benefits tax	9,550	11,960
Payroll tax	57,391	50,861
Workers compensation	14,839	10,917
Seminars and training	4,992	5,376
Staff recruitment & Temps	1,090	150
Other	4,066	1,306
Total other staff costs	<u>91,928</u>	<u>80,570</u>
Total employee expenses	<u>1,258,782</u>	<u>1,145,442</u>

Note 4B: Affiliation, capitation fees and levies

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Affiliation fees		
Geelong Trades Hall Council	729	713
South-West Trades and Labour Council	144	198
Victorian Trades Hall Council	15,069	-
Climate and Health Alliance	500	-
Australia Asia Worker Links	400	-
Capitation fees		
Health Services Union – National Office	91,103	78,765
Total affiliation, capitation fees and levies	<u>107,945</u>	<u>79,676</u>

Note 4C: Administration Expenses

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Bank charges and fees	33,248	28,160
Compulsory levies	-	-
Conference and meeting expenses	(406)	7,044
Conference and meeting allowances	-	-
Consideration to employers for payroll deductions	-	-
Insurance - general	7,191	19,669
Telephone and internet	34,902	29,886
Penalties – RO Act or RO Regulations	-	-
Postage and courier	22,847	12,616
Printing and stationery	12,551	7,474
Other expenses	15,861	14,255
Total administration expenses	126,194	119,104

Note 4D: Grants and donations

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	500	100
Total paid that exceeded \$1,000	20,000	-
Total grants or donations	20,500	100

Note 4E: Legal and professional fees

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Accounting fees	-	-
Legal fees (refer also to Note 4F)		
Litigation	-	-
Other legal matters	25,028	72,025
Total legal and professional fees	25,028	72,025

Note 4F: Additional member benefits

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Insurance		
Bereavement	-	-
Professional indemnity & public liability	47,641	41,567
Legal fees - members		
Litigation	-	68,899
Other legal matters	-	-
Other	7,460	5,316
Total additional member benefits	55,101	115,782

Note 4G: Occupancy

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Rental expenses on operating lease	94,645	88,223
Other occupancy expenses	9,941	10,645
Total occupancy	104,586	98,868

Note 4H: Depreciation and amortisation

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Furniture and fixtures	12,641	13,097
Office equipment	2,296	1,846
Computer equipment	29,834	29,533
Computer software	9,566	8,126
Total depreciation and amortisation	54,337	52,602

NOTE 5: CURRENT ASSETS

	2016	2015
	\$	\$
Note 5A: Cash and cash equivalents		
Cash on hand	506	2,105
Cash at bank	330,524	181,889
Total cash and cash equivalents	331,030	183,994

	2016	2015
	\$	\$
Note 5B: Trade and other receivables (current)		
Prepayments	64,146	38,632
Membership fees due	2,974	4,812
Receivables from other reporting units (HSU Vic No 2 Branch)	-	2,259
Interest receivable	376	-
Provision for doubtful debts	-	-
Rental deposit	18,832	-
Total trade and other receivables	86,328	45,703

	2016	2015
	\$	\$
Note 5C: Held-to-maturity investments		
ME Bank term deposit	311,677	306,302
Bendigo Bank term deposit	-	5,178
Total held-to-maturity investments	311,677	311,480

NOTE 6: NON-CURRENT ASSETS

Note 6A: Property, plant and equipment

	2016 \$	2015 \$
Furniture and fixtures		
At cost	75,631	65,319
Less accumulated depreciation	<u>(36,835)</u>	<u>(24,195)</u>
	<u>38,796</u>	<u>41,124</u>
Office equipment		
At cost	15,994	9,035
Less accumulated depreciation	<u>(5,288)</u>	<u>(2,992)</u>
	<u>10,706</u>	<u>6,043</u>
Computer equipment (1)		
At cost	102,187	99,173
Less accumulated depreciation	<u>(90,419)</u>	<u>(60,585)</u>
	<u>11,768</u>	<u>38,588</u>
Software		
At cost	49,885	43,854
Less accumulated depreciation	<u>(17,692)</u>	<u>(8,126)</u>
	<u>32,193</u>	<u>35,728</u>
Total property, plant and equipment	<u>93,463</u>	<u>121,483</u>

Movements in Carrying Amounts

	Furniture and fixtures	Office equipment	Computer equipment	Software	Total
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	<u>(13,097)</u>	<u>(1,846)</u>	<u>(29,533)</u>	<u>(8,126)</u>	<u>(52,602)</u>
Closing net book amount	<u>41,124</u>	<u>6,043</u>	<u>38,588</u>	<u>35,728</u>	<u>121,483</u>
2016					
Opening net book amount	41,124	6,043	38,588	35,728	121,483
Additions	10,312	6,960	3,014	6,031	26,317
Disposals	-	-	-	-	-
Depreciation	<u>(12,640)</u>	<u>(2,297)</u>	<u>(29,834)</u>	<u>(9,566)</u>	<u>(54,337)</u>
Closing net book amount	<u>38,796</u>	<u>10,706</u>	<u>11,768</u>	<u>32,193</u>	<u>93,463</u>

Property, plant and equipment pledged as security

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

	2016 \$	2015 \$
Note 6B: Trade and other receivables (non-current)		
Rental deposit	-	18,686
Total trade and other receivables	<u>-</u>	<u>18,686</u>

NOTE 7: CURRENT LIABILITIES

	2016 \$	2015 \$
Note 7A: Trade and other payables		
Trade creditors and accruals	53,978	70,826
Consideration to employers for payroll deductions	-	-
Legal fees due	-	-
Payables to other reporting units		
HSU NSW Branch	-	22
Net GST payable	40,280	34,116
Wages and salaries due		
Officeholders	2,301	1,696
Employees other than officeholders	10,032	6,295
Membership fees received in advance	169,175	106,639
Total trade and other payables	<u>275,766</u>	<u>219,594</u>

	2016 \$	2015 \$
Note 7B: Employee Provisions		
Holders of office:		
Annual leave	19,550	13,072
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>19,550</u>	<u>13,072</u>
Employees other than holders of office:		
Annual leave	75,725	56,484
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>75,725</u>	<u>56,484</u>
Total employee provisions	<u>95,275</u>	<u>69,556</u>

NOTE 8: ACCUMULATED SURPLUS

	2016 \$	2015 \$
Net assets at start of year	398,424	375,896
Net surplus (deficit) for the year	64,016	22,528
Net assets at end of year	<u>462,440</u>	<u>398,424</u>

NOTE 9: CASH FLOW

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Note 9A: Cash flow reconciliation		
Reconciliation of cash flow from operations with surplus for the period		
Surplus / (deficit) for the period	64,016	22,528
Non-cash flows in surplus		
Depreciation and amortisation	54,337	52,602
Changes in assets and liabilities		
(Increase) in inventories	(4,755)	(6,228)
(Increase) / decrease in receivables and prepayments	(21,939)	(5,039)
(Increase) / decrease in Held-to-Maturity Assets	(197)	-
Increase in payables	56,172	38,885
Increase in provisions	25,719	9,957
Cash flows from operations	<u>173,353</u>	<u>112,705</u>

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Note 9B: Receipts from other reporting units		
HSU National Office	3,434	3,479
HSU Victoria No 1 Branch	-	-
HSU Victoria No 2 Branch	2,368	2,442
HSU NSW Branch	165	1,386
Total receipts from other reporting units	<u>5,967</u>	<u>7,307</u>

Note 9C: Payments to other reporting units

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
HSU National Office	134,859	93,851
HSU NSW Branch	24	13,376
Total payments to other reporting units	<u>134,883</u>	<u>107,227</u>

NOTE 10: CONTINGENCIES

There are no known contingent assets or liabilities at 30 June 2016

NOTE 11: COMMITMENTS

	2016 \$	2015 \$
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	108,095	132,779
- later than one year but not later than five years	-	93,633
Total commitments	<u>108,095</u>	<u>226,412</u>

General description of leasing arrangement:

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

NOTE 12: RELATED PARTY DISCLOSURES

Note 12A: Related party transactions for the reporting period

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Receipts from HSU National Office		
Admin expense recovered	3,434	3,479
Receipts from HSU Vic No 2 Branch		
Admin expense recovered	2,368	2,442
Receipts from HSU NSW Branch		
Membership fees recovered	165	1,386
Payments to HSU National Office		
Capitation fee	134,859	86,641
Admin expense recovered	-	7,210
	134,859	93,851
Payments to HSU NSW Branch		
Admin expense recovered	24	13,376
Amounts owed to HSU NSW Branch		
Membership fees recovered overpayment	-	22
Amounts owed to HSU Vic No 1 Branch		
Loan amount brought forward	-	-
Adjustment arising from negotiated settlement	-	-
Payment received	-	-
Balance at 30 June	-	-

Note 12B: Key management personnel remuneration for the reporting period

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Short-term employee benefits:		
Salary	204,178	158,759
Annual leave	19,550	21,038
Total short-term employee benefits	223,728	179,797
Post-employment benefits:		
Superannuation	19,217	16,845
Total post-employment benefits	19,217	16,845

Note 12B: Key management personnel remuneration for the reporting period (continued)

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Other long-term benefits		
Long-service leave accrued	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	-	-
Total key management personnel remuneration for the reporting period	<u><u>242,945</u></u>	<u><u>196,642</u></u>

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 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Related party transaction Plakkit Pty Ltd – see notes 12F & 12G	-	13,442
Total	<u><u>-</u></u>	<u><u>13,442</u></u>

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	\$Nil.

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	\$130,916.51	\$12,325.95	\$4,729.50	-
Branch Assistant Secretary	Andrew Hewat	\$73,261.44	\$6,891.16	-	-

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

There is no disclosure for material persons of interests to the committee of management in the current year.

Note 12G: Rule 88 disclosure – Disclosure of payments

No payments were made to material persons of interest in the current year.

NOTE 13: REMUNERATION OF AUDITORS

	1 July 2015 to 30 June 2016 \$	1 July 2014 to 30 June 2015 \$
Financial statement audit services	14,400	14,000
Other services	-	8,251
Total remuneration of auditors	14,400	22,251

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 ageing 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:

	2016	2015
	\$	\$
Cash at bank		
AA rating	120,887	71,345
A rating	209,637	110,544
Held to maturity investments		
A rating	311,677	311,480

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	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Cash on hand	506	2,105	-	-	-	-	-	-	506	2,105
Cash at bank	330,524	181,889	-	-	-	-	-	-	330,524	181,889
Held to maturity investments	-	-	311,677	311,480	-	-	-	-	311,677	311,480
Trade receivables	-	-	2,974	4,812	-	-	-	-	2,974	4,812
Other receivables	-	-	64,522	40,891	-	-	-	-	64,522	40,891
Security deposits	-	-	18,832	18,686	-	-	-	-	18,832	18,686
	<u>331,030</u>	<u>183,994</u>	<u>398,005</u>	<u>375,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>729,035</u>	<u>559,863</u>
Financial Liabilities										
Trade and other payables	-	-	(94,259)	(104,964)	-	-	-	-	(94,259)	(104,964)
Net Financial Assets	<u>331,030</u>	<u>183,994</u>	<u>303,746</u>	<u>270,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>634,776</u>	<u>454,899</u>

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 2016 the effect on the surplus as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2016	2015
	\$	\$
Increase of interest rates by 2% - increase surplus by	13,343	10,241
Decrease of interest rates by 2% - decrease surplus by	(13,343)	(10,241)

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 2016, 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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info@nexiasydney.com.au, www.nexia.com.au

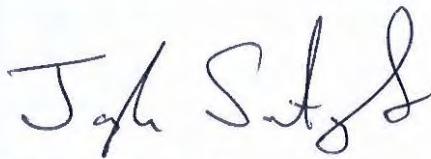
Opinion

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 2016 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

Nexia Sydney
Chartered Accountants



Joseph Santangelo
Partner

Sydney

Dated: 12 October 2016

From: Craig McGregor [<mailto:craig.mcgregor@vahpa.asn.au>]
Sent: Thursday, 13 October 2016 5:37 PM
To: Orgs
Cc: Andrew Hewat; Alex Leszczynski
Subject: ON CMS FR2016/204 HSU Vic No. 3 Financial Reporting 2015-16

To Whom it may concern

In accordance with s268 of FWROA.

Please find attached the Full Report for 2015-16 for Health Services Union 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



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.

This message and any attachments are for the intended recipient and may contain confidential or privileged information. Only the intended recipient may access, use, copy or deliver it. If you have received this email in error, please reply to us immediately and delete the email and any attachments. Please advise immediately if you or your employer do not consent to the use of email for messages of this kind. Protecting your personal information is important to us. Our Privacy Statement (<http://vahpa.asn.au/vhpa-privacy-policy/>) explains how we collect, use, share and hold your personal information.



HSU Vic No. 3 GPFR HSU Vic 3 Certificate
2015-16 FINAL [13 Cby Prescribed Design:



15 July 2016

Mr Craig McGregor
Victoria No. 3 Branch Secretary
Health Services Union-Victoria No. 3 Branch
By email: info@vahpa.asn.au

Dear Mr McGregor,

**Re: Lodgement of Financial Report - [FR2016/204]
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 2016.

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, that being within 14 days after the meeting referred to in s.266 of the RO Act.

Timelines

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, guidance notes and model statements

Fact sheets and guidance notes in relation to financial reporting under the RO Act are provided on the Fair Work Commission website. This includes a model set of financial statements which have been developed by the FWC. 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, Reporting Guidelines and other resources can be accessed through our website under [Financial Reporting](#) in the Compliance and Governance section.

Loans, grants and donations: our focus this year

Also you are reminded of the obligation to prepare and lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 requires this statement to be lodged with the FWC within 90 days of the end of the reporting unit's financial year, that is on or before 28 September 2016. A sample statement of loans, grants or donations is available at [sample documents](#).

Over the past year we have noted issues in organisations' financial reports relating to timelines and how loans, grants and donations are reported. We will be focusing closely on these areas this year. Please find attached below fact sheets relating to these requirements or alternatively visit our website for information regarding [financial reporting timelines](#) and [loans, grants and donations](#).

It is requested that the financial report and any Statement of Loans, Grant or Donations be lodged electronically by emailing orgs@fwc.gov.au.

11 Exhibition Street
Melbourne VIC 3000
GPO Box 1994
Melbourne VIC 3001

Telephone : (03) 8661 7777
Email : orgs@fwc.gov.au
Internet : www.fwc.gov.au

Civil penalties may apply

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 \$54,000 for a body corporate and \$10,800 for an individual per contravention) being imposed upon your organisation and/or an officer whose conduct led to the contravention.

Contact

Should you wish to seek any clarification in relation to the above, email orgs@fwc.gov.au.

Yours sincerely,

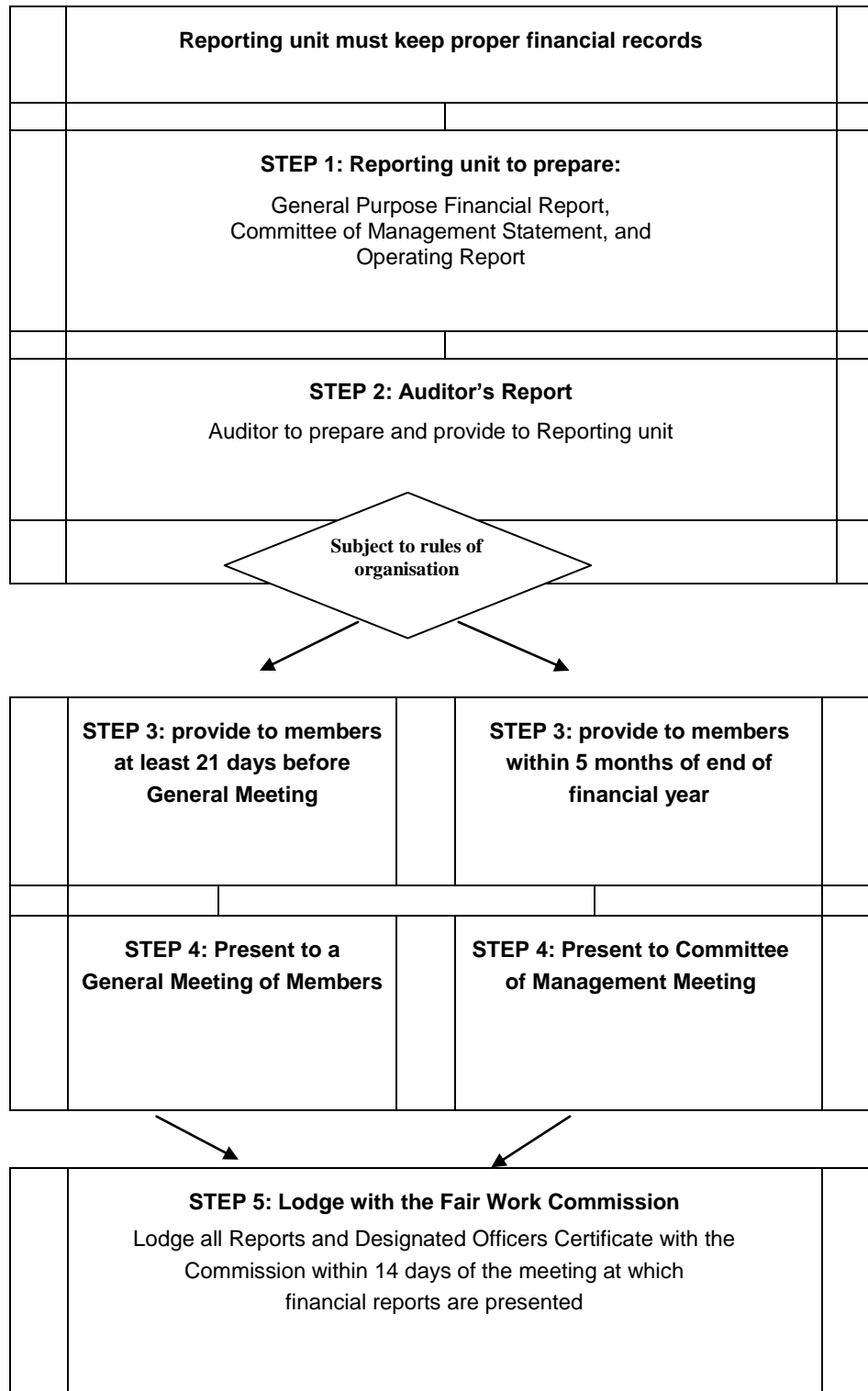


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

Financial reporting timelines

Financial reports are to be lodged with the Fair Work Commission (the Commission) within 14 days of the meeting at which the financial reports have been presented, by completing the steps as outlined below.

See Fact sheet—Financial reporting for an explanation of each of these steps.



Fact Sheet - Loans, Grants & Donations

The Loans, Grants & Donations Requirements

The *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within **90 days** of the ending of the financial year.

Under the General Manager's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

The Loans, Grants & Donations Statement

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceed \$1000. The following information must be supplied to the Commission for each relevant loan, grant or donation:

the amount,

the purpose,

the security (if it is a loan),

the name and address of the person to whom it was made,* and







the arrangements for repaying the loan.*

*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the Commission has a [Template Loans, Grants and Donations Statement](#) on its website. The Commission encourages branches and organisations to lodge the statement even if all of the figures are NIL.

Common misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
 Only reporting units must lodge the Statement.	 All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.
 Employees can sign the Statement.	 The statement must be signed by an elected officer of the relevant branch.
 Statements can be lodged with the financial report.	 The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.

Grants & Donations within the Financial Report

Item 16(e) of the [General Manager's Reporting Guidelines](#) requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [Commission's Model Statements](#) the note appears as follows:

Note 4E: Grants or donations*

Grants:	2016	2015
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Item 17 of the General Manager's Reporting Guidelines requires that these line items appear in the financial report even if the figures are NIL.

Implications for filing the Financial Report

During their review of the 2016 financial report staff of the Commission will confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their 2015 financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the [Commission's website](#).

Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the Regulatory Compliance Branch on orgs@fwc.gov.au