



1 November 2017

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

Sent via email

Dear Mr McGregor

Re: – Health Services Union, Victoria No 3 Branch - financial report for year ending 30 June 2017 (FR2017/153)

I refer to the financial report of the Victoria No 3 Branch of the Health Services Union. The documents were lodged with the Registered Organisations Commission on 18 October 2017.

The financial report has been filed. The financial report was 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.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 30 June 2018 may be subject to an advanced compliance review.

Reporting Requirements

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

Please note that new Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: Craig McGregor [<mailto:craig.mcgregor@vahpa.asn.au>]
Sent: Wednesday, 18 October 2017 5:17 PM
To: ROC - Registered Org Commission
Subject: HPRM: ON CMS FR2017/153 HSU Vic No. 3 Branch General Purpose Financial Report for year ending 30 June 2017

[FR2017/153](#)

To Whom it May Concern

Please find **attached** the Full Financial Report for Health Services Union Victoria No. 3 Branch including the Report of the Auditor, the General Purpose Financial Report and the Operating Report. All documents are signed by the relevant and authorised parties. Please also find the Designated Officer's Certificate at page 3 of the document.

I look forward to hearing back from you.

Regards
Craig McGregor
Secretary

Victorian Allied Health Professionals Association
Phone: 03 9269 6104 | Mobile: 0447 548 990

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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/vahpa-privacy-policy/>) explains how we collect, use, share and hold your personal information.



VAHPA GPFR
2016-17 FINAL RATIF

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 2017



TABLE OF CONTENTS

for the year ended 30 June 2017

Introduction	2
Certificate By Prescribed Designated Officer	3
Operating Report	4
Branch Committee of Management Statement	6
Financial Report	
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	12
Independent Auditor's Report	37

This financial report covers the Health Services Union of Australia Vic No 3 Branch, ABN 38 106 461 384, as an individual entity. In 2016/17 the Health Services Union of Australia Vic No 3 Branch operated under the registered business names 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 17 October 2017.

INTRODUCTION

for the year ended 30 June 2017

This financial report is prepared using the model financial statements provided by the Registered Organisations Commission., as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 30 June 2017.

The enclosed financial report has been prepared in accordance with the requirements of applicable Australian Accounting Standards as they apply to a not-for-profit entity and the RO Act, including the section 253 Reporting Guidelines issued on 13 June 2014. The financial report is intended to illustrate the disclosure requirements for the preparation of a general purpose financial report under Tier 1—Australian Accounting Standards.

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

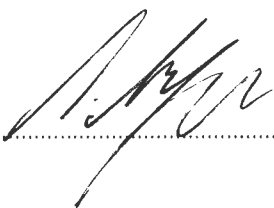
s.268 *Fair Work (Registered Organisations) Act 2009*

for the year ended 30 June 2017

I, Craig McGregor, being the Branch Secretary of the Health Services Union of Australia VIC No. 3 Branch certify:

- that the documents lodged herewith are copies of the full report for Health Services Union of Australia VIC No. 3 Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 18 October 2017; and
- that the full report was presented to the Branch Committee of Management of the Health Services Union of Australia VIC No. 3 Branch on 17 October 2017 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: 18 October 2017

OPERATING REPORT

for the year ended 30 June 2017

The Branch Committee of Management presents its operating report on the Health Services Union of Australia Vic No. 3 Branch for the financial period 1 July 2016 to 30 June 2017.

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 Allied 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 year ended 30 June 2017

Number of members

The number of financial members at 30 June 2017 was 4,451 (2016: 4,272).

Number of employees

The number of full time equivalent employees at 30 June 2017 was 14.6 (2016: 11.4)

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	
Marni Jackson	Member	05 Mar 2014	11 Oct 2016
Marni Jackson	Junior Vice President	11 Oct 2016	
Scott Plowman	Member	25 Mar 2014	12 Jul 2016
Scott Plowman	Trustee	12 July 2016	
Bernada Cavka	Member	12 July 2016	
Kim Vien	Member	05 Jun 2014	
Sandra McCallum	Member	04 Dec 2015	
Tracey Maughan	Member	15 Nov 2016	
Kerri Felemonow	Member	14 Mar 2017	
Kaye Kingham	Member	06 Aug 2014	7 Feb 2017
Rebecca Barnden	Member	06 Mar 2013	26 Aug 2016

Signature of designated officer:

 17/10/2017.

Name of designated officer:

Craig McGregor

Title of designated officer:

Branch Secretary

BRANCH COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 30 June 2017

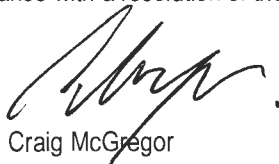
On 17 October 2017 the Committee of Management of the Health Services Union of Australia Vic No. 3 Branch (the Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2017:

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 any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (the RO Act);
- 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - vi) where any order for inspection of financial records has been made by the Registered Organisations 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: 17 October 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 30 June 2017

	Note	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Revenue			
Membership subscriptions		2,336,473	2,045,803
Capitation fees	3A	-	-
Levies	3B	-	-
Gifts and donations	3C	-	-
Interest		10,985	12,538
Other revenue	3D	562	182
Total revenue		2,348,020	2,058,523
Expenses			
Employee expenses	4A	1,412,898	1,258,782
Affiliation, capitation fees and levies	4B	143,698	107,945
Administration expenses	4C	164,990	126,194
Audit fees	13	19,829	14,400
Communication expenses		88,678	128,254
Computer expenses		-	39,109
Grants and donations	4D	5,000	20,500
Legal and professional fees	4E	5,847	25,028
Additional member benefits	4F	56,399	55,101
Motor vehicle expenses		78,249	53,615
Travel expenses		14,039	5,054
Occupancy expenses	4G	106,087	104,586
Delegate and BCOM expenses		10,992	1,602
Depreciation and amortisation	4H	50,895	54,337
Total expenses		2,157,601	1,994,507
Profit (loss) for the year		190,419	64,016
Other comprehensive income		-	-
Total comprehensive income for the year		190,419	64,016

STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

	Note	2017 \$	2016 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	630,308	331,030
Trade and other receivables	5B	76,836	86,328
Held-to-maturity investments	5C	311,677	311,677
Inventories		-	10,983
Total current assets		1,018,821	740,018
Non-Current Assets			
Property, plant and equipment	6A	52,388	93,463
Trade and other receivables	6B	18,832	-
Total non-current assets		71,220	93,463
Total assets		1,090,041	833,481
LIABILITIES			
Current Liabilities			
Trade payables	7A	71,095	66,311
Other payables	7B	249,054	209,455
Employee Provisions	7C	117,033	95,275
Total current liabilities		437,182	371,041
Total Liabilities		437,182	371,041
Net assets		652,859	462,440
MEMBERS' FUNDS			
Accumulated surplus	8	652,859	462,440
Total members' funds		652,859	462,440

STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Note	Accumulated Surplus \$	Total \$
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		462,440	462,440
Balance as at 1 July 2016		462,440	462,440
Profit for the year		190,419	190,419
Other comprehensive income		-	-
Closing balance as at 30 June 2017		652,859	652,859

STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

	Note	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received			
Membership fees received		2,565,259	2,244,435
Receipts from other reporting units	9B	6,722	5,967
Interest received		10,985	11,965
Other receipts		562	182
Cash used			
Payments to employees		(1,412,898)	(1,258,784)
Payments to suppliers		(713,556)	(695,529)
Payments to other reporting units	9C	(147,976)	(134,883)
Net cash inflow (outflow) from operating activities	9A	309,098	173,353
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(9,820)	(26,317)
Purchase of held-to-maturity investments		-	-
Net cash inflow (outflow) from investing activities		(9,820)	(26,317)
Net increase (decrease) in cash and cash equivalents			
		299,278	147,036
Cash and cash equivalents at the beginning of the reporting period			
		331,030	183,994
Cash and cash equivalents at the end of the reporting period	5A	630,308	331,030

INDEX TO THE NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

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 year ended 30 June 2017

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 year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Standard Name	Effective Date for Entity	Requirements	Impact
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 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 year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<p>AASB 15 - Revenue from Contracts with Customers</p>	<p>30 June 19</p>	<p>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:</p> <ul style="list-style-type: none"> 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. <p>Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15.</p>	<p>The impact of this standard has not yet been determined.</p>
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

<p>AASB 9 Financial Instruments</p>	<p>30 June 19</p>	<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. The mandatory application date of AASB 9 has been deferred to annual reporting periods beginning on or after 1 January 2018 by AASB 2014-1.</p>
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NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

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 year ended 30 June 2017

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 year ended 30 June 2017

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.

Impairment of financial assets

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2017

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 year ended 30 June 2017

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 year ended 30 June 2017

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 2017, 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

Capitation fees
Total capitation fees

1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
-	-
<u>-</u>	<u>-</u>

Note 3B: Levies

Levies
Total levies

1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
-	-
<u>-</u>	<u>-</u>

Note 3C: Grants and donations received

Grants received
 Donations received
Total grants and donations received

1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
-	-
-	-
<u>-</u>	<u>-</u>

Note 3D: Other revenue

Other revenue
Total other revenue

1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
562	182
<u>562</u>	<u>182</u>

NOTE 4: EXPENSES

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Note 4A: Employee expenses		
Holders of office		
Wages and salaries	217,536	204,178
Superannuation	25,681	19,217
Leave and other entitlements	23,894	17,563
Separation and redundancies	-	-
Other employee expenses	-	-
Total holders of office	267,111	240,958
Employees other than holders of office		
Wages and salaries	813,181	713,325
Superannuation	82,394	78,119
Leave and other entitlements	126,061	128,676
Separation and redundancies	6,734	5,776
Other employee expenses	41	-
Total employees other than holders of office	1,028,411	925,896
Other staff costs		
Fringe benefits tax	19,040	9,550
Payroll tax	63,417	57,391
Workers compensation	20,992	14,839
Seminars and training	10,110	4,992
Staff recruitment & Temps	260	1,090
Other	3,557	4,066
Total other staff costs	117,376	91,928
Total employee expenses	1,412,899	1,258,782

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Note 4B: Affiliation, capitation fees and levies		
Affiliation fees		
Geelong Trades Hall Council	735	729
South-West Trades and Labour Council	-	144
Ballarat Regional Trades and Labour Council	404	-
Victorian Trades Hall Council	18,826	15,069
Climate and Health Alliance	-	500
Australia Asia Worker Links	-	400
Health Services Union – National Office	19,982	-
Capitation fees		
Health Services Union – National Office	103,751	91,103
Total affiliation, capitation fees and levies	143,698	107,945

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Note 4C: Administration Expenses		
Bank charges and fees	38,753	33,248
Compulsory levies	-	-
Conference and meeting expenses	1,896	(406)
Conference and meeting allowances	-	-
Consideration to employers for payroll deductions	-	-
Insurance - general	7,922	7,191
Telephone and internet	37,791	34,902
Penalties – RO Act or RO Regulations	-	-
Postage and courier	11,327	22,847
Printing and stationery	16,491	12,551
Other expenses	50,810	15,861
Total administration expenses	164,990	126,194

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Note 4D: Grants and donations		
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	500
Total paid that exceeded \$1,000	4,500	20,000
Total grants or donations	5,000	20,500

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Note 4E: Legal and professional fees		
Accounting fees	-	-
Legal fees (refer also to Note 4F)		
Litigation	-	-
Other legal matters	5,847	25,028
Total legal and professional fees	5,847	25,028

Note 4F: Additional member benefits

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Insurance		
Professional indemnity & public liability	52,869	47,641
Legal fees - members		
Litigation	-	-
Other legal matters	-	-
Other	3,530	7,460
Total additional member benefits	56,399	55,101

Note 4G: Occupancy

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Rental expenses on operating lease	94,357	94,645
Other occupancy expenses	11,730	9,941
Total occupancy	106,087	104,586

Note 4H: Depreciation and amortisation

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Furniture and fixtures	18,555	12,641
Office equipment	8,695	2,296
Computer equipment	9,310	29,834
Computer software	14,335	9,566
Total depreciation and amortisation	50,895	54,337

NOTE 5: CURRENT ASSETS

	2017	2016
Note 5A: Cash and cash equivalents	\$	\$
Cash on hand	560	506
Cash at bank	629,748	330,524
Total cash and cash equivalents	630,308	331,030

	2017	2016
Note 5B: Trade and other receivables (current)	\$	\$
Prepayments	76,836	64,146
Membership fees due	-	2,974
Receivables from other reporting units	-	-
Interest receivable	-	376
Provision for doubtful debts	-	-
Total trade and other receivables	76,836	86,328

	2017	2016
Note 5C: Held-to-maturity investments	\$	\$
ME Bank term deposit	311,677	311,677
Total held-to-maturity investments	311,677	311,677

NOTE 6: NON-CURRENT ASSETS

Note 6A: Property, plant and equipment	2017 \$	2016 \$
Furniture and fixtures		
At cost	76,600	75,631
Less accumulated depreciation	<u>(55,314)</u>	<u>(36,835)</u>
	<u>21,286</u>	<u>38,796</u>
Office equipment		
At cost	19,004	15,994
Less accumulated depreciation	<u>(13,984)</u>	<u>(5,288)</u>
	<u>5,020</u>	<u>10,706</u>
Computer equipment		
At cost	107,954	102,187
Less accumulated depreciation	<u>(99,730)</u>	<u>(90,419)</u>
	<u>8,224</u>	<u>11,768</u>
Software		
At cost	46,133	49,885
Less accumulated depreciation	<u>(28,275)</u>	<u>(17,692)</u>
	<u>17,858</u>	<u>32,193</u>
Total property, plant and equipment	<u>52,388</u>	<u>93,463</u>

Movements in Carrying Amounts

	Furniture and fixtures	Office equipment	Computer equipment	Software	Total
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>
2017					
Opening net book amount	38,796	10,706	11,768	32,193	93,463
Additions	1,045	3,010	5,766	-	9,820
Disposals	-	-	-	-	-
Depreciation	<u>(18,555)</u>	<u>(8,696)</u>	<u>(9,310)</u>	<u>(14,335)</u>	<u>(50,895)</u>
Closing net book amount	<u>21,286</u>	<u>5,020</u>	<u>8,224</u>	<u>17,858</u>	<u>52,388</u>

Property, plant and equipment pledged as security

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

	2017 \$	2016 \$
Note 6B: Trade and other receivables (non-current)		
Rental deposit	18,832	18,686
Total trade and other receivables	18,832	18,686

NOTE 7: CURRENT LIABILITIES

	2017 \$	2016 \$
Note 7A: Trade payables		
Trade creditors and accruals	71,095	53,978
Wages and salaries due		
Officeholders	-	2,301
Employees other than officeholders	-	10,032
Total trade and other payables	71,095	66,311

	2017 \$	2016 \$
Note 7B: Other payables		
Consideration to employers for payroll deductions	-	-
Legal fees due	-	-
Payables to other reporting units	-	-
Net GST payable	47,321	40,280
Membership fees received in advance	201,733	169,175
Total trade and other payables	249,054	209,455

	2017 \$	2016 \$
Note 7C: Employee Provisions		
Holders of office:		
Annual leave	20,742	19,550
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>20,742</u>	<u>19,550</u>
Employees other than holders of office:		
Annual leave	96,291	75,725
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
	<u>96,291</u>	<u>75,725</u>
Total employee provisions	117,033	95,275

NOTE 8: ACCUMULATED SURPLUS

	2017 \$	2016 \$
Net assets at start of year	462,440	398,424
Net surplus (deficit) for the year	190,419	64,016
Net assets at end of year	652,859	462,440

NOTE 9: CASH FLOW

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Note 9A: Cash flow reconciliation		
Reconciliation of cash flow from operations with surplus for the period		
Surplus for the period	190,419	64,016
Non-cash flows in surplus		
Depreciation and amortisation	50,895	54,337
Changes in assets and liabilities		
Decrease in inventories	10,983	(4,755)
Increase in receivables and prepayments	(9,340)	(21,939)
(Increase) / decrease in Held-to-Maturity Assets	-	(197)
Increase in payables	44,383	56,172
Increase in provisions	21,758	25,719
Cash flows from operations	309,098	173,353

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Note 9B: Receipts from other reporting units		
HSU National Office	5,105	31434
HSU Victoria No 2 Branch	129	2,368
HSU Victoria No 4 Branch	620	-
HSU NSW Branch	868	165
Total receipts from other reporting units	6,722	5,967

Note 9C: Payments to other reporting units

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
HSU National Office	147,836	134,859
HSU Victoria No 2 Branch	140	-
HSU NSW Branch	-	24
Total payments to other reporting units	147,976	134,883

NOTE 10: CONTINGENCIES

There are no known contingent assets or liabilities at 30 June 2017

NOTE 11: COMMITMENTS

	2017 \$	2016 \$
Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements		
Payables		
- not later than one year	56,946	108,095
- later than one year but not later than five years	66,436	-
Total commitments	123,382	108,095

General description of leasing arrangement:

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

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

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Other long-term benefits		
Long-service leave accrued	-	-
Total other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel remuneration for the reporting period	239,026	229,872

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 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Related party transaction	-	-
Total	-	-

Note 12D: Disclosure of remuneration and non-cash benefits by Officers

Position	Name	Organisation / Board	Remuneration
-	-	-	-

Note 12E: 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	\$139,884	\$13,073	\$6,535	-
Branch Assistant Secretary	Andrew Hewat	\$79,753	\$7,508	-	-

Note 12F: 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: Disclosure of payments

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

NOTE 13: REMUNERATION OF AUDITORS

	1 July 2016 to 30 June 2017 \$	1 July 2015 to 30 June 2016 \$
Financial statement audit services	19,829	14,400
Other services	-	-
Total remuneration of auditors	19,829	14,400

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:

	2017	2016
	\$	\$
Cash at bank		
AA rating	416,697	120,887
A rating	213,611	209,637
Held to maturity investments		
A rating	311,677	311,677

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	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets										
Cash on hand	560	506	-	-	-	-	-	-	560	506
Cash at bank	629,748	330,524	-	-	-	-	-	-	629,748	330,524
Held to maturity investments	-	-	311,677	311,677	-	-	-	-	311,677	311,677
Trade receivables	-	-	-	2,974	-	-	-	-	-	2,974
Other receivables	-	-	76,864	64,522	-	-	-	-	76,864	64,522
Security deposits	-	-	18,843	18,832	-	-	-	-	18,843	18,832
	630,308	331,030	407,384	398,005	-	-	-	-	1,037,692	729,035
Financial Liabilities										
Trade and other payables	-	-	(235,648)	(94,259)	(148,296)	-	-	-	(431,265)	(94,259)
Net Financial Assets	630,308	331,030	171,736	303,746	(148,296)	-	-	-	639,972	634,776

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 2017 the effect on the surplus as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2017	2016
	\$	\$
Increase of interest rates by 2% - increase surplus by	19,205	13,343
Decrease of interest rates by 2% - decrease surplus by	(19,205)	(13,343)

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 Commissioner:

- (1) a member of a reporting unit, or the Commissioner, 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 Vic No. 3 Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Health Services Union Vic No. 3 Branch (the Branch), which comprises the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the Operating Report and the Committee of Management Statement.

In our opinion,

- (i) the accompanying financial report of Health Services Union 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 Union's financial position as at 30 June 2017 and of its performance for the year ended on that date; and
 - (b) complying with Australian Accounting Standards; and
- (ii) the use of the going concern assumption in relation to the preparation of the Financial Report is appropriate.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Branch Committee of Management are responsible for the other information. The other information comprises the information in Health Services Union Vic No. 3 Branch annual report for the year ended 30 June 2017, but does not include the financial report and the auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

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Branch Committee of Management's, Secretary's and Assistant Secretary/Treasurer'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 and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Fair Work (Registered Organisations) Act 2009* and is appropriate to meet the needs of the members. The Branch Committee of Management, Secretary and Assistant Secretary are also responsible 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 is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Branch Committee of Management, Secretary and Assistant Secretary are responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Branch Committee of Management, Secretary and Assistant Secretary either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

We also provide the Branch Committee of Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Nexia

Nexia Sydney Partnership

Joseph Santangelo

Joseph Santangelo

Partner

Registered Company Auditor 405702

Member of the Institute of Chartered Accountants in Australia 46731

Holds of a current Certificate of Public Practice

Dated: 17.10.17
Sydney

