

16 November 2016

Mr Paul Elliott
Secretary, Victoria No 4 Branch
Health Services Union

By email: PaulE@msav.org.au



Dear Mr Elliott

Re: Lodgement of Financial Statements and Accounts – Health Services Union, Victoria No 4 Branch - for year ended 30 June 2016 (FR2016/151)

I refer to the financial report for the Victoria No 4 Branch of the Health Services Union. The report was lodged with the Fair Work Commission on 11 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.

You are not required to take any further action in respect of the report lodged but I make the following comment to assist you when you next prepare a financial report. The FWC will confirm this issue has been addressed prior to filing next year's report.

Documents must be lodged with the FWC within 14 days of general meeting

Section 268 of the RO Act requires the full report and the designated officer's certificate to be lodged with the FWC within 14 days of the meeting of members referred to in section 266. The Designated Officer's Certificate indicates that this meeting occurred on 12 October 2016. If this is correct the full report should have been lodged with the FWC by 26 October 2016. The full report was however not lodged until 11 November 2016.

The branch should have applied for an extension of time to lodge the required reports and the Designated Officer's Certificate in accordance with section 268.

If in future financial years the branch anticipates that it will not be able to lodge on time, i.e. within the 14 day period following the meeting, a written request for an extension of time, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the period.

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*

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>

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

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Senior Adviser
Regulatory Compliance Branch

From: KELLETT, Stephen
Sent: Wednesday, 16 November 2016 10:13 AM
To: 'PaulE@msav.org.au'
Subject: Financial reporting - y/e 30 June 2016 - filing

Dear Mr Elliott,

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
(mob.) 0429 462 979
(email) stephen.kellett@fwc.gov



HSU No 4 FR2016
151 (primary final).pdf

From: Paul Elliott [<mailto:PaulE@msav.org.au>]
Sent: Friday, 11 November 2016 9:48 AM
To: Orgs
Subject: ON CMS FR2016/151 HSU 4 Annual Financial Report

The General Manager
Fair Work Australia

Re: FW (RO) Act s.268 Financial Report Lodgement

Attached please find a Designated Officer's Certificate with the Annual Financial Report of the Health Services Union Victoria No 4 Branch for the year ended 30 June 2016 attached.

Please note that original documents are following in the mail

Regards

Paul Elliott
Executive Officer
Medical Scientists Association of Victoria
Victorian Psychologist Association
Association of Hospital Pharmacists
Health Services Union Number 4 Branch

paule@msav.org.au
Tel/ 9623 9623
Fax 9663 8109

Level 1
62 Lygon Street
Carlton South VIC 3053
www.msav.org.au



DEsignated Officers
Certificate.pdf

MEDICAL SCIENTISTS ASSOCIATION
VICTORIAN PSYCHOLOGISTS ASSOCIATION INC
ASSOCIATION OF HOSPITAL PHARMACISTS
LEVEL 1, 62 LYGON STREET, CARLTON SOUTH, VIC 3053
TELEPHONE 9623 9623 OR 9623 9625 FACSIMILE 9663 8109
E-MAIL enquiry@msav.org.au A.B.N. 63 009 627 460



10/11/2016

The General Manager
Fair Work Commission
11 Exhibition Street
MELBOURNE VICTORIA 3000

***S268 Fair Work (Registered Organisations) Act 2009
Lodgement of financial documents for year ended 30 June 2016***

Designated Officer's Certificate

I, Paul Elliott, being the Branch Secretary of the Health Services Union Victoria Number 4 Branch certify:

- That the documents lodged herewith is a copy of the annual financial report for the financial year 2015-2016 referred to in s265(1)(a) and s268 of the *Fair Work (Registered Organisations) Act 2009*;
- That a copy of the annual financial report, including the Operating Report and Auditor's Report for the financial year 2015-2016 was provided to members on the Union's website (www.msav.org.au) from 9 September 2016. (All members were advised that the reports were available on the website at the same time);
- The annual financial report was presented to a meeting of the committee of management of the Health Services Union Victoria Number 4 Branch on 10 August 2016 in accordance with s266(1) of the *Fair Work (Registered Organisations) Act 2009*;
- The annual financial report was presented to a general meeting of members on 12 October 2016 in accordance with s266 of the *Fair Work (Registered Organisations) Act 2009*.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Paul Elliott', written over a horizontal line.

Paul Elliott
Branch Secretary
Health Services Union Victoria Number 4 Branch

HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2016



HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460

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This financial report covers the Health Services Union Victoria No. 4 Branch as an individual entity. The financial report is presented in the Australian currency.

The Health Services Union Victoria No. 4 Branch is a registered trade union under the Fair Work (Registered Organisations) Act 2009 ("RO Act"). The purpose of the entity is to protect and improve conditions and entitlements for members. Its principle activities are the pursuit of the Objects of the Union's Rules. Specifically, the main activities of the Branch are to regulate and protect the employment conditions of its members, including: negotiating certified agreements and award variations; upholding members' rights as employees, taking all necessary steps to advance the health and safety of members in the workplace and representing members individually and collectively in the Fair Work Australia, the Equal Opportunity Commission and the Victorian Civil and Administrative Tribunal in relation to employment matters.

The principal place of business is:
Health Services Union Victoria No. 4 Branch
Level 1, 62 Lyon Street
CARLTON VIC 3053

The financial report was authorised for issue by the Branch Committee on 24th August 2016.

**HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460**

OPERATING REPORT

Your Branch Committee of Management present their report on the union for the financial year ended 30 June 2016.

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

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

<i>Name</i>	<i>Position</i>
Max Cowey	President**
Victor Reginato	Senior Vice-President **
Jacinta Bleeser	Junior Vice-President – Psychologists
Peter Wells	Trustee - MSAV
Stephen Edwards	Trustee - Psychologists
Paul Elliott	Secretary
Rosemary Kelly	Assistant Secretary **
Maria Bisignano	Committee member
Cathy Durkin	Committee member
Megan Chapman	Committee member
Julie King	Committee member
Shaun O'Connor	Committee member
Sandra Feleppa	Committee member

** Delegate to National Council

The members of Committee of Management have been in office since the start of the financial year to the date of this report unless otherwise stated.

Significant changes in financial affairs

No significant changes in financial affairs of the union occurred during the financial year.

OPERATING REPORT (continued)

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

The principal activities of the union during the financial year were the pursuit of the Objects of the Union's Rules. Specifically, the main activities of the Branch were to regulate and protect the employment conditions of its members, including negotiating certified agreements and award variations; upholding members' rights as employees, taking all necessary steps to advance the health and safety of members in the workplace and representing members individually and collectively in the Fair Work Australia, the Equal Opportunity Commission and the Victorian Civil and Administrative Tribunal in relation to employment matter. No significant change in the nature of these activities occurred during the year.

A review of the operations of the Branch indicate that it continued to engage in its principal activity of representing members in industrial, technical and operational matters. In pursuing these activities The Branch has sought to protect and enhance the profession of members through representation of individuals in grievances and disputes and by representing members in collective bargaining. In pursuing such, the Branch has initiated and activated legal and industrial action when appropriate. In enhancing the professional aspects of members, representations have been made to regulatory bodies, government inquiries and international forums when so required.

Union Details

Number of employees

The union did not have any employees during the year ended 30 June 2016. All the administrative and industrial services were provided for a fee by the Medical Scientists Association of Victoria.

Number of members

The number of financial members at 30 June 2016 was 2,270 (2015: 2,350).

Right of members to resign

Pursuant to Rules 10(b)-(h) of the HSU and s174 of the Fair Work (Registered Organisations) Act 2009, a member may resign from membership of the Union by notice in writing addressed and delivered to the Secretary of the member's Branch.

A notice of resignation from membership of the Union shall take effect:-

- (i) where the member ceases to be eligible to become a member of the Union -
 - A. on the day upon which the notice is received by the Union, or
 - B. 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,whichever is the later; or
- (ii) in any other case -
 - A. at the end of two weeks after the notice is received by the Union, or
 - B. on the day specified in the notice,whichever is the later.

OPERATING REPORT (continued)

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

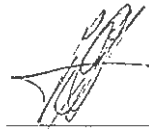
To the best of our knowledge and belief, the following officers and employees of the Branch are superannuation fund trustee(s) or a director of a company that is a superannuation fund trustee:

Name of Officer	Trustee Company	Name of Superannuation Fund	Position	Whether position held because nominated for by a registered organisation
Rosemary Kelly	First State Superannuation Trustee Corporation	FSS Super	Director	YES*

* - nominated by the Health Services Union National Office

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

Signature of designated officer:



Name and title of designated officer:

Paul Elliott

Title of designated officer:

Secretary

Dated:

24/8/2016

HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Revenue from continuing operations	4	89,935	93,727
Other revenue	4	2,375	102
Expenses			
Affiliation and capitation fee	6	(58,504)	(58,683)
Employee expenses	7	-	-
Industrial expenses	8	(27,025)	(29,808)
Administration expenses	9	(3,854)	(2,104)
		<u>(89,383)</u>	<u>(90,595)</u>
Surplus before income tax		2,927	3,234
Income tax expense		-	-
Surplus for the year		<u>2,927</u>	<u>3,234</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>2,927</u></u>	<u><u>3,234</u></u>

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460

BALANCE SHEET
AS AT 30 JUNE 2016

	Note	2016 \$	2015 \$
ASSETS			
Current assets			
Cash and cash equivalents	10	54,098	24,687
Trade and other receivables	11	<u>23,808</u>	<u>25,775</u>
Total current assets		<u>77,906</u>	<u>50,462</u>
Total assets		<u>77,906</u>	<u>50,462</u>
LIABILITIES			
Current liabilities			
Trade and other payables	12	34,809	10,292
Employee provisions	13	<u>-</u>	<u>-</u>
Total current liabilities		<u>34,809</u>	<u>10,292</u>
Total liabilities		<u>34,809</u>	<u>10,292</u>
Net assets		<u>43,097</u>	<u>40,170</u>
MEMBERS' FUND			
Accumulated surplus	14	<u>43,097</u>	<u>40,170</u>
Total members' fund		<u>43,097</u>	<u>40,170</u>

The above balance sheet should be read in conjunction with the accompanying notes.

HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
 ABN 63 009 627 460

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 JUNE 2016

	Accumulated Surplus \$	Other Funds \$	Total \$
Balance at 1 July 2014	36,936	-	36,936
Total comprehensive income for the year	3,234	-	3,234
Transfer to/from accumulated surplus	-	-	-
Transfer to/from other funds	-	-	-
Balance at 30 June 2015	<u>40,170</u>	<u>-</u>	<u>40,170</u>
Balance at 1 July 2015	40,170	-	40,170
Total comprehensive income for the year	2,927	-	2,927
Transfer to/from accumulated surplus	-	-	-
Transfer to/from other funds	-	-	-
Balance at 30 June 2016	<u>43,097</u>	<u>-</u>	<u>43,097</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
 ABN 63 009 627 460

STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED 30 JUNE 2016

	Note	2016 \$	2015 \$
Cash flows from operating activities			
Receipts from members and other associations		100,895	89,283
Receipts from HSU National Office		582	-
Receipts from other reporting units/controlled entity		-	-
Other receipts		1,818	-
Payments to HSU National Office		(64,937)	(64,842)
Payments to suppliers		(8,975)	(28,911)
Payments to other reporting units/controlled entity		-	-
Interest received		28	35
Net cash inflow (outflow) from operating activities	19	<u>29,411</u>	<u>(4,435)</u>
Net increase (decrease) in cash and cash equivalents		29,411	(4,435)
Cash and cash equivalents at beginning of financial year		<u>24,687</u>	<u>29,122</u>
Cash and cash equivalents at end of financial year	10a	<u>54,098</u>	<u>24,687</u>

The above statement of cash flows should be read in conjunction with the accompanying notes.

HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report for the Health Services Union Victoria No. 4 Branch are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basic of Preparation

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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Health Services Union Victoria No. 4 Branch ("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.

New and amended standards adopted by the Branch

The branch adopts all of the new and revised Standards and Interpretations issued by the Australian Accounting Board (AASB) that are relevant to the operations and effective for the current annual reporting period.

Early adoption of standards

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

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- available-for-sale financial assets, financial assets and liabilities (including derivative instruments) certain classes of property, plant and equipment and investment property – measured at fair value
- assets held for sale – measured at fair value less cost of disposal, and
- retirement benefit obligations – plan assets measured at fair value.

Critical accounting estimates

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Section 50-1 of the Income Tax Assessment Act 1997.

(c) Cash and Cash Equivalents

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

(d) Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties. The Branch recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Branch's activities as described below. The Branch bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major operating activities as follows:

Capitation fees and levies

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

Member Fees and Subscriptions

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

Interest

Interest revenue is recognised as interest accrues, taking into account the yield on the financial assets.
All revenue is stated net of the amount of goods and services tax (GST).

(e) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are included in the Statement of Cash Flows on a gross basis and GST components of cash flows arising from investing and financing activities, which is recoverable from, or payable to the ATO as classified as operating cash flows.

Commitments and contingencies are disclosed inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollected are written off. A provision for impairment of trade receivables is established when there is objective evidence that the entity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement in other expenses.

(g) Trade and other payables

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

(h) Impairment of assets

Other assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(i) Comparative Figures

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(j) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2016 reporting periods. The entity's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments* (effective from 1 January 2018)

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. Since December 2013, it also sets out new rules for hedge accounting. When adopted, the standard will affect the branch's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. There will be no impact on the branch's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the branch does not have any such liabilities.

(ii) AASB 15 *Revenue from Contracts with customers* (effective from 1 January 2018)

The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 January 2017), ie without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application. There will be no impact on the Branch's financial report.

(iii) AASB 16 *Leases* (effective from 1 January 2019)

AASB 16 will primarily affect the accounting by lessees and will result in the recognition of almost all leases on the balance sheet. The standard removes the current distinction between operating and financing leases and requires recognition of an asset (the right to use the leased item) and a financial liability to pay rentals for almost all lease contracts. The accounting by lessors, however, will not significantly change. The changes under AASB 16 are significant and will have a pervasive impact, particularly for lessees with operating leases. There will be no impact on the Branch's financial report.

(iv) *Sales or contribution of assets between an investor and its associates or joint venture* (effective from 1 January 2018)

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting depends on whether the contributed assets constitute a business or an asset. There will be no impact on the Branch's financial report.

There are no other standards that are not yet effective and that are expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

(a) Critical accounting estimates and assumptions

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

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

No critical judgements have been made in applying the entity's accounting policies.

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

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

Information to be provided to members or the General Manager:

- (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).

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

4: Revenue

	2016 \$	2015 \$
From continuing operations		
capitation fees – component associations	89,935	93,727
capitation fees – other reporting units	-	-
member subscriptions	-	-
levies	-	-
financial support from another reporting unit	-	-
grants or donations	-	-
	<u>89,935</u>	<u>93,727</u>
Other revenue		
other income	529	35
legal fee reimbursement	1,818	-
interest	28	67
	<u>2,375</u>	<u>102</u>
	<u>92,310</u>	<u>93,829</u>

5: Expenses

	2016 \$	2015 \$
The surplus for the year includes the following specific expenses:		
Remuneration of the auditors for - audit or review services	1,260	1,250

6: Affiliation and capitation fees

	2016 \$	2015 \$
Capitation fees paid to HSU National Office	58,504	58,683
Compulsory levies	-	-
Affiliation fees	-	-
	<u>58,504</u>	<u>58,683</u>

7: Employee expenses

	2016 \$	2015 \$
Holders of office	-	-
Employees other than holders of office	-	-
	<u>-</u>	<u>-</u>

The union did not have any employees during the year ended 30 June 2016

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

8: Industrial expenses

	2016	2015
	\$	\$
Industrial services fee paid to Medical Scientists Association Victoria	27,025	29,808
Other	-	-
	<u>27,025</u>	<u>29,808</u>

9: Administration expenses

	2016	2015
	\$	\$
Auditor's remuneration	1,260	1,250
Bank charges	62	60
Conference and meeting expenses	323	265
Consideration to employers for payroll deduction	-	-
Donations:		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
Fees/allowances – meeting and conferences	-	-
General expenses	391	529
Grants:		
- Total paid that were \$1,000 or less	-	-
- Total paid that exceeded \$1,000	-	-
Legal costs		
- litigation	1,818	-
- other legal matters	-	-
Penalties – via RO Act or RO Regulations	-	-
	<u>3,854</u>	<u>2,104</u>

10: Current assets – Cash and cash equivalents

	2016	2015
	\$	\$
Cash at bank	<u>54,098</u>	<u>24,687</u>

(a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the statement of cash flows as follows:

	2016	2015
	\$	\$
Balances as above	54,098	24,687
Bank overdrafts	-	-
Balances per statement of cash flows	<u>54,098</u>	<u>24,687</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

11: Current assets – Trade and other receivables

	2016 \$	2015 \$
Receivables from other reporting unit		
Less provision for doubtful debts	-	-
Net receivables from other reporting unit	<u>-</u>	<u>-</u>
<i>Receivables from component associations</i>		
- Association of Hospital Pharmacists	2,928	3,351
- Medical Scientists Association of Victoria	16,757	17,979
- Victorian Psychologists Association	4,123	4,445
	<u>23,808</u>	<u>25,775</u>

12: Current liabilities – Trade and other payables

	2016 \$	2015 \$
<i>Payables to other reporting units</i>		
- HSU National office	-	582
<i>Payables from component associations</i>		
- Medical Scientists Association of Victoria	34,572	8,197
<i>Other payables</i>		
- Consideration to employers for payroll deductions	-	-
- Legal costs (litigation & other matters)	-	-
- Net GST payable	237	1,513
	<u>34,809</u>	<u>10,292</u>

The carrying amounts of other payables are assumed to be the same as their fair values, due to their short-term nature.

13: Employee provisions

	2016 \$	2015 \$
Holders of office	-	-
Employees other than holders of office	-	-
	<u>-</u>	<u>-</u>

The union did not have any employees during the year ended 30 June 2016

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

14: Members fund

	2016 \$	2015 \$
<i>Movements in the accumulated surplus were as follows:</i>		
Balance 1 July	40,170	36,936
Net surplus for the year	2,927	3,234
Balance 30 June	<u>43,097</u>	<u>40,170</u>

Other Funds

No funds or accounts have been operated in respect of compulsory levies or voluntary contributions.

15: Events occurring after the reporting period

There were no events that occurred after 30 June 2016, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

16: Commitments for expenditure

	2016 \$	2015 \$
Contractual obligation for establishing a CPD portal – not recognized as a liability	<u>-</u>	<u>2,812</u>

There are no other capital or lease commitments or contingencies at the end of the financial year.

17: Contingent liabilities

There are no known contingent liabilities at 30 June 2016.

18: Wage recovery activities

No recovery of wages activity has occurred in the reporting period or the previous reporting period.

19: Cash flow information

	2016 \$	2015 \$
Reconciliation of cash flow from operations with the surplus for the year		
Surplus for the year	2,927	3,234
<i>Changes in assets and liabilities</i>		
Decrease (Increase) in trade and other receivables	1,967	(13,027)
Increase in payables	24,517	5,358
Cash flows from operations	<u>29,411</u>	<u>(4,435)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

20: Related party disclosure

(i) Related party transactions for the reporting period

a) The union paid \$ 27,025 (2015: \$29,808) to the Medical Scientists Association of Victoria which in return provides a full industrial and administration service.

b) The union paid \$ 58,504 (2015: \$58,683) to the HSU National Office for capitation fee.

c) Outstanding balances arising from sales and purchases of goods and services: These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts. No provision for impairment has been raised in relation to any of these outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

(ii) The members of the committee of management during the financial year were:

<i>Name</i>	<i>Position</i>
Max Cowey	President**
Victor Reginato	Senior Vice-President **
Jacinta Bleeser	Junior Vice-President – Psychologists
Peter Wells	Trustee - MSAV
Stephen Edwards	Trustee - Psychologists
Paul Elliott	Secretary
Rosemary Kelly	Assistant Secretary **
Maria Bisignano	Committee member
Cathy Durkin	Committee member
Megan Chapman	Committee member
Julie King	Committee member
Shaun O'Connor	Committee member
Sandra Feleppa	Committee member

** Delegate to National Council

(iii) Transactions with key management personnel and remuneration

(a) The Branch did not pay any remuneration to its key management personnel during the year for the administration of the Branch.

(b) There are no loans between the key management personnel and the Branch.

(c) There were no transactions between the officers of the Branch other than those relating to their membership of the Union and reimbursement (if any) by the Branch in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

21: Other information

(i) Going Concern

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

(ii) Financial Support

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

(iii) Acquisition of assets and liability under specific sections:

The Branch did not acquire any asset or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act;

(iv) Acquisition of assets and liability as part of a business combination:

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

22: Rules 85 - 88 Disclosure Requirements

The Branch Committee of Management is required provided additional disclosures as per the Rules of the HSU.

a) Rule 85 – Remuneration and non-cash benefits paid to officers

None of the Branch Officers have received remuneration and non-cash benefits from the Branch.

The following arrangement exists between Medical Scientists Association of Victoria (a component association of the Branch) and Rosemary Kelly.

Name of officer	Position held	Board	Payment	Amount	Paid to
Rosemary Kelly	Assistant Branch Secretary	First State Super Trustee Corporation	Director fee	\$97,878.79	Medical Scientists Association of Victoria
Rosemary Kelly	Assistant Branch Secretary	First State Super Trustee Corporation	Mandatory Superannuation (9.5%)	\$9,298.60	Rosemary Kelly's super account - HESTA

b) Rule 86 – Remuneration paid to the highest paid officers

None of the Branch Officers have received remuneration from the Branch.

c) Rule 87 – Officers' Material Personal Interests

None of the Branch Officers have material personal interests in a matter that the officer has or acquires; or a relative of the officer has or acquires; that relates to the affairs of the Branch.

d) Rule 88 – Payments to declared person or body of the Union

No payments were made by the Branch to a declared person or body of the Branch.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

23: Financial risk management

The Branch's financial instruments consist mainly of deposits with banks, receivables and payables.

The carrying amounts for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are as follows:

	Note	2016 \$	2015 \$
Financial assets			
Cash on hand	10	54,098	24,687
Trade and other receivables	11	23,808	25,775
Total financial assets		77,906	50,462
Financial liabilities			
Financial liabilities at amortised cost:			
Trade and other payables	12	34,809	10,292
Total financial liabilities		34,809	10,292

Financial Risk Management Policies

The committee of management is responsible for monitoring and managing the Branch's compliance with its risk management strategy. The committee's overall risk management strategy is to assist the Branch in meeting its financial targets while minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the committee on a regular basis. These include credit risk policies and future cash flow requirements.

Specific Financial Risk Exposures and Management

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

There have been no substantive changes in the types of risks the Branch is exposed to, how these risks arise, or the committee's objectives, policies and processes for managing or measuring the risks from the previous period.

a. **Credit risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss for the Branch.

The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of capitation fee.

Credit risk exposures

The maximum exposure to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position.

Accounts receivable and other debtors that are neither past due nor impaired are considered to be of high credit quality. Aggregates of such amounts are detailed at Note 11.

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties. Details with respect to credit risk of accounts receivable and other debtors are provided in Note 11.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

23: Financial risk management (Continued)

a. Credit risk (Continued)

Credit risk related to balances with banks and other financial institutions is managed by the branch committee in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a Standard & Poor's rating of at least AA-. The following table provides information regarding the credit risk relating to cash and money market securities based on Standard & Poor's counterparty credit ratings.

	Note	2016 \$	2015 \$
Cash at banks			
- AA rated	10	54,098	24,687

b. Liquidity risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Branch manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The Branch's policy is to ensure no borrowings at any time.

The table below reflects an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$	2016 \$	2015 \$
<i>Financial liabilities due for payment</i>								
Trade and other payables (excluding estimated annual leave and deferred income)	34,809	10,292	-	-	-	-	34,809	10,292
Total expected outflows	34,809	10,292	-	-	-	-	34,809	10,292

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

23: Financial risk management (Continued)

b. Liquidity risk (Continued)

Financial liability and financial asset maturity analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
	\$	\$	\$	\$	\$	\$	\$	\$
<i>Financial assets – cash flows realisable</i>								
Cash on hand	54,098	24,687	-	-	-	-	54,098	24,687
Trade and other receivables	23,808	25,775	-	-	-	-	23,808	25,775
Total anticipated inflows	77,906	50,462	-	-	-	-	77,906	50,462
Net inflow on financial instruments	43,097	40,170	-	-	-	-	43,097	40,170

c. Market risk

(i) *Interest rate risk*

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

The financial instruments that expose the Branch to interest rate risk are limited to fixed interest securities and cash on hand.

Interest rate risk is managed using a mix of fixed and floating rate debt. At 30 June 2016 the branch did not have any debts.

The Branch also manages interest rate risk by ensuring that, whenever possible, payables are paid within any pre-agreed credit terms.

(ii) *Other price risk*

Other price risk relates to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) of securities held. The Branch does not expose to other price risk.

Sensitivity analysis

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables

	Profit		Equity	
	2016	2015	2016	2015
	\$	\$	\$	\$
+/- 2% in interest rates	1,082	493	1,082	493

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 JUNE 2016

23: Financial risk management (Continued)

Fair Values

Fair value estimation

The fair values of financial assets and financial liabilities are presented in the following table and can be compared to their carrying amounts as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgment and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Branch. Most of these instruments, which are carried at amortised cost (ie accounts receivables, loan liabilities), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Branch.

	Note	2016		2015	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
		\$	\$	\$	\$
Financial assets					
Cash on hand	(i)	54,098	54,098	24,687	24,687
Trade and other receivables	(i)	23,808	23,808	25,775	25,775
Total financial assets		77,906	77,906	50,462	50,462
Financial liabilities					
Trade and other payables	(i)	34,809	34,809	10,292	10,292
Total financial liabilities		34,809	34,809	10,292	10,292

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash on hand, accounts receivable and other debtors, and accounts payable and other payables are short-term instruments in nature whose carrying amount is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

23: Capital management

The branch manages its capital to ensure that it will be able to continue as a going concern while maximising the return on investments. The Branch Committee ensure that the overall risk management strategy is in line with this objective.

The Branch Committee effectively manages the entity's capital by assessing the entity's financial risk and responding to changes in these risks and in the market. These responses may include the consideration of debts levels. There have been no changes to the strategy adopted by Branch Committee to control capital of the branch since the previous year. No operations of the Branch Committee are subject to external imposed capital requirements.

HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH
ABN 63 009 627 460

COMMITTEE OF MANAGEMENT STATEMENT

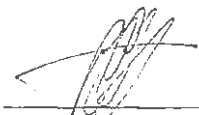
On 16/8/2016, the Committee of Management of Health Services Union Victoria No. 4 Branch (the Branch) passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2016:

The Committee of Management declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager;
3. 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 year to which they relate;
4. there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the GPFR relates and since the end of that year:
 - a. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - b. the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - c. the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
 - d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a manner consistent with each of the other reporting units of the organisation; and
 - e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
6. 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:

Paul Elliott

Title of designated officer:

Secretary

Dated:

24/8/2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH

Report on the Financial Report

We have audited the accompanying financial report of Health Services Union Victoria No. 4 Branch (the Branch) which comprises the balance sheet as at 30 June 2016 and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2016, a summary of significant accounting policies and other explanatory notes and the Statement by Committee of Management.

Committee of Management's Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of 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 and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Committee of Management.

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



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HEALTH SERVICES UNION VICTORIA NO. 4 BRANCH (Continued)

Independence

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

Opinion

In our opinion:

- the general purpose financial report of Health Services Union Victoria No. 4 Branch presents fairly, in all material respects, the financial position of Health Services Union Victoria No. 4 Branch as at 30 June 2016 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:
 - a) the Australian Accounting Standards; and
 - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- the Committee of Management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.



BGL Partners
Chartered Accountants



I. A. Hinds - C.A.
Partner
Approved Auditor and Member of The Institute of Chartered Accountants in Australia and
holder of current Public Practice Certificate

24 August 2016
Melbourne



15 July 2016

Mr Paul Elliott
Victoria No. 4 Branch Secretary
Health Services Union-Victoria No. 4 Branch
By email: paule@msav.org.au

Dear Mr Elliott,

**Re: Lodgement of Financial Report - [FR2016/151]
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Health Services Union-Victoria No. 4 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,

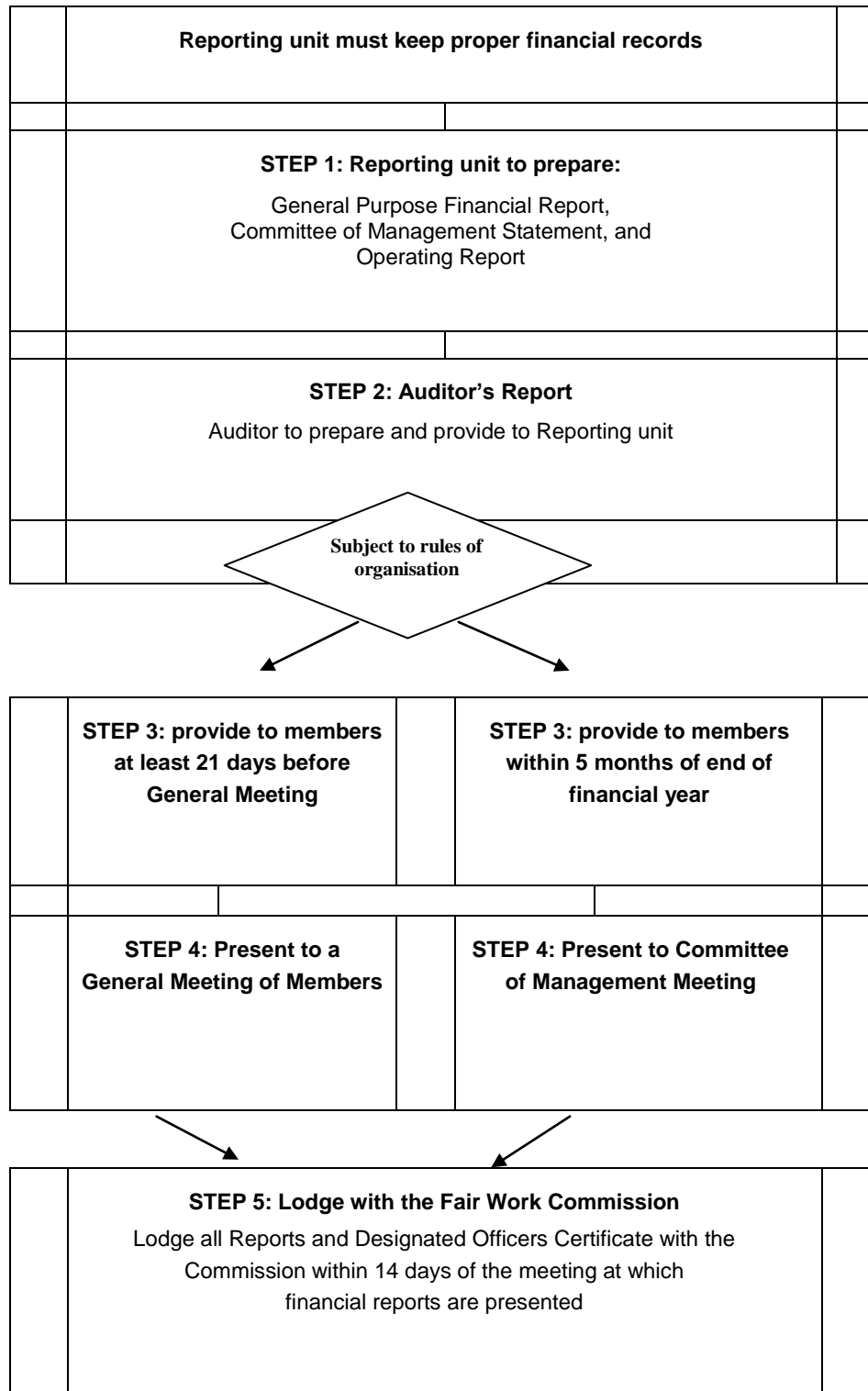


Anastasia Kyriakidis
Adviser
Regulatory Compliance Branch

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