



1 November 2019

Ms Naomi McCrae  
Secretary, Western Australia Branch  
Health Services Union

By e-mail: Ms Cheryl Potkura

Cc: Mr Martin Shone, Auditor

Dear Ms McCrae

**Re: – Health Services Union, Western Australia Branch - financial report for year ending 30 June 2019 (FR2019/67)**

I refer to the financial report of the Western Australia Branch (**the Branch**) of the Health Services Union. The documents were lodged with the Registered Organisations Commission (**ROC**) on 18 September 2019.

The financial report has now been filed.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report.

Nil activities – not disclosed

Item 21 of the reporting guidelines states that if any of the activities identified within items 10-20 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in an officer's declaration statement.

The GPFR contained nil activity information for all prescribed reporting guideline categories not otherwise disclosed except the following:

- Item 12 - acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- Item 19 - have another entity administer the financial affairs of the reporting unit
- Item 20 - make a payment to a former related party of the reporting unit

Please ensure in future years that the above mentioned items are disclosed in the notes as per the reporting guidelines.

**Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements. The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at [stephen.kellett@roc.gov.au](mailto:stephen.kellett@roc.gov.au).

Yours faithfully

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  
Financial Reporting  
Registered Organisations Commission

**HEALTH SERVICES UNION  
WESTERN AUSTRALIAN BRANCH**

**ABN 39 370 757 126**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2019**

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

CONTENTS

Certificate by prescribed designated officer.....	1
Report Required Under Subsection 255(2A).....	2
Operating Report.....	3
Committee of Management Statement.....	5
Auditors' Independence Declaration.....	6
Statement of Comprehensive Income .....	7
Statement of Financial Position .....	8
Statement of Changes of Equity .....	9
Statement of Cash Flows.....	10
Notes to the Financial Statements.....	11
Independent Auditor's Report to the Members.....	30

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER  
FOR THE YEAR ENDED 30 JUNE 2019

I, Daniel Hill, being the Branch Secretary of the Health Services Union Western Australian Branch, certify:

- that the documents lodged herewith are copies of the full report for the Health Services Union Western Australian Branch for the year ended 30 June 2019 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the Branch on 2 August, 2019; and
- that the full report was presented to a meeting of Committee of Management of the Branch on 16 September, 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



-----  
Daniel Hill

Branch Secretary

Dated: 17 September 2019

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

REPORT REQUIRED UNDER SUBSECTION 255(2A)

For the year ended 30 June 2019

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Health Services Union Western Australian Branch for the year ended 30 June 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses – employees	Nil	Nil
Advertising	Nil	Nil
Operating costs	152,725	180,574
Donations to political parties	Nil	Nil
Legal costs	Nil	Nil



Daniel Hill  
Branch Secretary

Dated: 29<sup>th</sup> day of July 2019

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### OPERATING REPORT

For the year ended 30 June 2019

The Branch Committee of Management ("the Committee") present their operating report on the Reporting Unit ("the Branch") for the year ended 30 June 2019.

**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 and results of those activities during the year were as follows:

- Representing individual members in grievance disputes with employers resulting in members being treated fairly and their rights respected.
- Representing all members at various workplaces regarding disputes with employers resulting in a fair outcome.
- Negotiating Enterprise Agreements resulting in increased wages and conditions for members covered by those Agreements.
- Negotiating agreements at a number of worksites resulting in the settlement of disputes or in flexibility in working arrangements.
- Providing union Workplace Representatives with training and education to enable them to better represent members in the workplace.
- Providing union members with training and education resulting in them better understanding their rights and responsibilities in the workplace and under their Enterprise Agreement.
- Providing members with professional indemnity insurance resulting in increased security for members.
- Providing members with a range of ancillary services resulting in improved lifestyle and protection for members.

There have been no significant changes in the nature of these activities during the year.

#### **Significant Changes in Financial Affairs**

No matters or circumstances arose during the reporting year which significantly affected the financial affairs of the Branch.

#### **Right of Members to Resign**

Subject to Rule 10 of the rules of the Union and sec 174 of the Fair Work (Registered Organisations) Act 2009 a member has the right to resign from membership by giving written notice addressed and delivered to the Branch Secretary.

**Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee where being a member or officer of a registered organisation is a criterion for them holding such position**

Nil.

#### **Number of Members**

The number of persons that were members of the union at 30 June 2019 was 6,178 (2018: 5,898).

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Number of Employees

As at 30 June 2019, there are currently 2 Officers and 18 appointed persons who are employees of the Branch. These employees hold joint positions with the Health Services Union of WA (HSUWA) a Union registered under the WA Industrial Relations Act, and by agreement between the Branch and the HSUWA salary and conditions of employment are provided by the HSUWA.

### Names of Committee Members and period positions held during the financial year

- |     |                     |  |
|-----|---------------------|--|
| 1.  | Daniel Hill         | Branch Secretary (1 July 2018 – continuing)                |
| 2.  | Christopher Panizza | Branch Assistant Secretary (1 July 2018 – continuing)      |
| 3.  | Cheryl Hamill       | Branch President (1 July 2018– continuing)                 |
| 4.  | Jodie Freeman       | Senior Vice President (1 July 2018 to 4 July 2019)         |
| 5.  | Brendan McKernan    | Senior Vice President (5 July 2018 – continuing)           |
| 6.  | John Shehade        | Junior Vice President (1 July 2018 to 4 July 2019)         |
| 7.  | Suvi Bird           | Junior Vice President (5 July 2018 – continuing)           |
| 8.  | Suvi Bird           | Branch Committee Member (1 July 2018 to 4 July 2018)       |
| 9.  | Brendan McKernan    | Branch Committee Member (1 July 2018 to 4 July 2018)       |
| 10. | David Shaw          | Branch Trustee (1 July 2018 – continuing)                  |
| 11. | Sarah Silver        | Branch Trustee (1 July 2018 – continuing)                  |
| 12. | John Shehade        | Branch Committee Member (5 July 2018 – continuing)         |
| 13. | Jonathan Nugent     | Branch Committee Member (1 July 2018 – continuing)         |
| 14. | Chris Goodsell      | Branch Committee Member (1 July 2018 – continuing)         |
| 15. | Trish Ward          | Branch Committee Member (1 July 2018 – continuing)         |
| 16. | Cassie Reading      | Branch Committee Member (5 July 2018 – continuing)         |
| 17. | Jodie Freeman       | Branch Committee Member (1 July 2018 to 5 December 2018)   |
| 18. | Zeonie Marsh        | Branch Committee Member (1 July 2018 to 21 September 2018) |
| 19. | John Walker         | Branch Committee Member (1 July 2018 to 22 October 2018)   |
| 20. | Drazen Nikolic      | Branch Committee Member (25 January 2019 – continuing)     |
| 21. | Lisa Jones          | Branch Committee Member (25 February 2019 – continuing)    |

Members have been in office since the start of the financial year to the date of this report unless otherwise stated.

Signed in accordance with a resolution of the Committee of Members passed on 29<sup>th</sup> July 2019.



Daniel Hill

Branch Secretary

Dated: 29<sup>th</sup> day of July 2019



HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126


COMMITTEE OF MANAGEMENT STATEMENT

On 29<sup>th</sup> July, 2019 the Committee of Management of Health Services Union Western Australian Branch ("the Branch") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2019:

The Branch Committee of Management of the Health Services Union Western Australian Branch declares that in its opinion:

- (a) the financial statements and notes comply with the 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 Branch's financial performance, financial position and cash flows, and the changes in equity for the financial year to which they relate;
- (d) 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
- (e) during the financial year to which the GPFR relates and since the end of 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; 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; and
  - (iii) the financial records of the Branch have been kept and maintained in accordance with the RO Act; and
  - (iv) the Organisation consists of more than two reporting units and the financial records of the Branch have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) no information was sought by any member of the Branch or the Commissioner duly made under section 272 of the RO Act; and
  - (vi) no orders for inspection of financial records have been made by the Fair Work Commission under section 273 of the RO Act during the year.

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



-----

Daniel Hill

Branch Secretary

Dated: 29<sup>th</sup> day of July 2019



## Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY  
AUDITORS AND REGISTERED SMSF AUDITORS

**Postal Address:**

PO Box 229 JOONDALUP DC WA 6919

P: 1300 284 330

E: reception@amwaudit.com.au

ABN 59 125 425 274

*liability limited by a scheme approved under Professional Standards legislation*

**AUDITORS' INDEPENDENCE DECLARATION  
TO THE MEMBERS OF  
HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH**

As auditor for the audit of Health Services Union Western Australian Branch for the year ended 30 June 2019, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2019 there has been:

- i. No contraventions of any applicable code of professional conduct in relation to the audit.

*Anderson Munro + Wyllie*

**ANDERSON MUNRO & WYLLIE**

Chartered Accountants

**Martin Shone**

Principal

Dated at Perth, Western Australia this 31<sup>st</sup> day of July 2019

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>Revenue</b>			
Membership Subscription		9,780	10,014
Capitation Fees	3A	-	-
Levies	3B	-	-
Transfers from HSU of WA		83,236	178,724
Transfers from HSU National	3D	-	48,670
<b>Total Revenue</b>		<b>93,016</b>	<b>237,408</b>
<b>Other Income</b>			
Grants and/or donations	3C	-	-
Revenue from recovery of wages activity	3E	-	-
<b>Total Other Income</b>		<b>-</b>	<b>-</b>
<b>Total Income</b>		<b>93,016</b>	<b>237,408</b>
<b>Expenses</b>			
Employee Expenses	4A	-	-
Capitation fees and other expense to another reporting unit	4B	(150,875)	(178,724)
Affiliation Expenses	4C	-	-
Administration Expenses	4D	(1,850)	(1,850)
Grants or Donations	4E	-	-
Legal Costs	4F	-	-
Other Expenses	4G	-	-
<b>Total Expenses</b>		<b>(152,725)</b>	<b>(180,574)</b>
<b>(Deficit)/ Surplus For The Year</b>		<b>(59,709)</b>	<b>56,834</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive (Loss)/Income For The Year</b>		<b>(59,709)</b>	<b>56,834</b>

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

STATEMENT OF FINANCIAL POSITION  
AS AT 30 JUNE 2019

	Note	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5A	18,679	81,846
Trade and Other Receivables	5B	3,557	832
<b>TOTAL CURRENT ASSETS</b>		<b>22,236</b>	<b>82,678</b>
<b>NON-CURRENT ASSETS</b>			
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>22,236</b>	<b>82,678</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade Payables	7A	-	733
Other Payables	7B	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>-</b>	<b>733</b>
<b>NON-CURRENT LIABILITIES</b>			
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>-</b>	<b>733</b>
<b>NET ASSETS</b>		<b>22,236</b>	<b>81,945</b>
<b>EQUITY</b>			
Retained Earnings		22,236	81,945
<b>TOTAL EQUITY</b>		<b>22,236</b>	<b>81,945</b>

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

STATEMENT OF CHANGES OF EQUITY  
FOR THE YEAR ENDED 30 JUNE 2019

	Retained Earnings	Total equity
	\$	\$
Balance at 1 July 2017	25,111	25,111
Surplus For The Year	56,834	56,834
Balance at 30 June 2018	<u>81,945</u>	<u>81,945</u>
Deficit For The Year	(59,709)	(59,709)
Balance at 30 June 2019	<u><u>22,236</u></u>	<u><u>22,236</u></u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2019

		2019	2018
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipt from Members		9,780	10,014
Receipts from Customers		(2,725)	4,133
Transfers from HSU of WA		83,236	178,724
Transfers from HSU National		-	48,670
Payment to National Office		(150,875)	(178,724)
Payment to Suppliers		(2,583)	(1,117)
Interest Received		-	-
Net Cash from (Used by) Operating Activities	11A	<u>(63,167)</u>	<u>61,700</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Cash Used in Investing Activities		<u>-</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Cash Used in Financing Activities		<u>-</u>	<u>-</u>
Net (Decrease)/ Increase in Cash Held		(63,167)	61,700
Cash and Cash Equivalents at the Beginning of the Year		<u>81,846</u>	<u>20,146</u>
Cash and Cash Equivalents at the End of the Year	5A	<u>18,679</u>	<u>81,846</u>

The accompanying notes form part of these financial statements.

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Note 1: Summary of Significant Accounting Policies (Continued)

#### 1.1 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 at 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.

#### 1.2 Comparative amounts

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

#### 1.3 Significant accounting judgements and estimates

The Branch evaluates estimates and judgements incorporated into the financial statements based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the Branch.

##### Key Estimates

###### *Impairment*

Nil

##### Key Judgements

###### *Available-for-sale investments*

Nil

#### 1.4 New Australian Accounting Standards

##### ***Adoption of New Australian Accounting Standard requirements***

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

The accounting policies adopted are consistent with those of the previous financial year.

##### ***Future Australian Accounting Standards Requirements***

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods. The Committee of Management have decided not to early adopt any of the new and amended pronouncements.

#### 1.5 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.

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Note 1: Summary of Significant Accounting Policies (Continued)

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 loss allowance due to expected credit losses at each reporting date. 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.

#### 1.6 Gains

##### *Sale of Assets*

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

#### 1.7 Capitation Fees and Levies

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

#### 1.8 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 due 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 Branch 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.

The Branch recognises an obligation to provision for termination when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations as per the requirements of the relevant industrial conditions or obligations set out by Fair Work Commission.

#### 1.9 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.



## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Note 1: Summary of Significant Accounting Policies (Continued)

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.

#### 1.10 Borrowing Costs

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

#### 1.11 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.

#### 1.12 Financial Instruments

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

#### 1.13 Financial Assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Branch's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Note 1: Summary of Significant Accounting Policies (Continued)

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Branch commits to purchase or sell the asset.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

#### Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Branch's financial assets at amortised cost include trade receivables.

#### Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Branch has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Branch has transferred substantially all the risks and rewards of the asset, or
  - b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Branch has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Branch continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### Impairment

##### (i) Trade receivables

For trade receivables that do not have a significant financing component, the Branch applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Branch has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

##### (ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Branch recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Branch expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Branch may also consider a financial asset to be in default when internal or external information indicates that the Branch is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### 1.14 Financial Liabilities

##### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Note 1: Summary of Significant Accounting Policies (Continued)

#### Subsequent measurement

##### Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

#### Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

#### 1.15 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.

#### 1.16 Land, buildings, plant and equipment

##### Asset Recognition Threshold

Purchases of land, buildings, 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.

##### Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Note 1: Summary of Significant Accounting Policies (Continued)

#### 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 based on the following useful lives:

Class of Fixed Asset	
Furniture and Equipment	2 years to 22.22 years
Motor Vehicles	4 years
Building and Improvements	40 years

#### Derecognition

An item of land, buildings, 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.

#### 1.17 Investment Property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

#### 1.18 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

#### Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Note 1: Summary of Significant Accounting Policies (Continued)

#### 1.19 Impairment of 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.

#### 1.20 Non-current assets held for sale

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

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

#### 1.21 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 statement of cash flows 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.

#### 1.22 Fair value measurement

The Branch measures financial instruments, such as, financial assets at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Note 1: Summary of Significant Accounting Policies (Continued)

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

#### 1.23 Going concern

The Branch is not reliant on financial support of another reporting unit to continue on a going concern basis. However, the Branch is reliant on the financial support of the Health Services Union of WA (Union of Workers). See Note 13.

The Branch provides no financial support to ensure another reporting unit can continue on a going concern basis.

### Note 2: Events After the Reporting Period

There were no events that occurred after 30 June 2019, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the branch.

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

	2019	2018
	\$	\$
<b>Note 3: Income</b>		
No income was received during the reporting period for Capitation Fees, Levies, Grants or Donations.		
<b>Note 3A: Capitation Fees</b>	-	-
<b>Note 3B: Levies</b>	-	-
<b>Note 3C: Grants or Donations</b>	-	-
<b>Note 3D: Support from HSU National</b>	-	48,670
<b>Note 3E: Revenue from recovery of wages activity</b>	-	-
<b>Note 4: Expenses</b>		
During the reporting period no expenses were incurred as consideration for employers making payroll deductions of membership subscriptions, compulsory levies imposed, legal costs or penalties imposed on the Branch under the RO Act with respect to its conduct.		
<b>Note 4A: Employee Expenses</b>		
<b>Holders of office:</b>		
- Wages and salaries	-	-
- Superannuation	-	-
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee expenses	-	-
Subtotal employee expenses holders of office	-	-
<b>Employees other than office holders:</b>		
- Wages and salaries	-	-
- Superannuation	-	-
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	-	-
<b>Total employee expenses</b>	-	-



HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

	2019	2018
	\$	\$
<b>Note 4B: Capitation fees</b>		
National Office Membership (HSU)	(114,882)	(140,674)
Australian Council of Trade Union Affiliation Fees	(35,993)	(38,050)
Total capitation fees	<u>(150,875)</u>	<u>(178,724)</u>
<b>Note 4C: Affiliation Fees</b>		
	<u>-</u>	<u>-</u>
<b>Note 4D: Administration Expenses</b>		
Audit fees	1,850	1,850
Bank charges	-	-
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Fees/allowance – meeting & conferences	-	-
Conference and meeting expenses	-	-
Total administration expenses	<u>1,850</u>	<u>1,850</u>
<b>Note 4E: Grants or Donations</b>		
Grants		
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	<u>-</u>	<u>-</u>
<b>Note 4F: Legal Costs</b>		
Litigation	-	-
Other legal matters	-	-
Total legal costs	<u>-</u>	<u>-</u>
<b>Note 4G: Other Expenses</b>		
Penalties - via RO Act or the Fair Work Act 2009	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

2019	2018
\$	\$

### Note 5: Current Assets

The Branch has no fund or account operated in respect of compulsory levies or voluntary contributions, and therefore has no such monies invested in any assets. The Branch has no fund or account (other than the general fund) the operation of which is required by its rules or by the rules of the organisation, and therefore no transfers and/or withdrawal(s) from such an account.

#### Note 5A: Cash and Cash Equivalents

Cash at bank	18,679	81,846
Total cash and cash equivalents	<u>18,679</u>	<u>81,846</u>

#### Note 5B: Trade and Other Receivables

Receivables from other reporting unit	-	-
Less allowance for expected credit losses	-	-
Total receivables - net	<u>-</u>	<u>-</u>
Other receivables:		
- ATO refunds	3,557	-
- Subscriptions Receivable	-	832
Total other receivables	<u>3,557</u>	<u>832</u>
Total trade and other receivables	<u>3,557</u>	<u>832</u>

#### Note 6: Non-current Assets

The Branch has no non-current assets.

#### Note 7: Current Liabilities

The Branch has no payables or other financial liability to any other reporting unit of the organisation.

The Branch has no payables to employers as consideration for the employer making payroll deductions for membership subscriptions, or in respect of legal costs and other expenses related to litigation or other legal matters.

#### Note 7A: Trade payables

Payables to other reporting units	-	-
Total trade payables	<u>-</u>	<u>-</u>

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

	2019	2018
	\$	\$
<b>Note 7B: Other payables</b>		
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs:		
Litigation	-	-
Other legal costs	-	-
ATO payable	-	733
<b>Total other payables</b>	<u>-</u>	<u>733</u>
<b>Total trade and other payables</b>	<u>-</u>	<u>733</u>
<b>Note 8: Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
Office holders:		
– Annual leave	-	-
– Long service leave	-	-
– Separation and redundancies	-	-
– Other employee provisions	-	-
<b>Subtotal employee provisions – office holders</b>	<u>-</u>	<u>-</u>
Employees other than office holders:		
– Annual leave	-	-
– Long service leave	-	-
– Separation and redundancies	-	-
– Other employee provisions	-	-
<b>Subtotal employee provisions – employees other than office holders</b>	<u>-</u>	<u>-</u>
<b>Total employee provisions</b>	<u>-</u>	<u>-</u>
Current	-	-
Non-current	-	-
<b>Total employee provisions</b>	<u>-</u>	<u>-</u>
<b>Note 9: Non-current Liabilities</b>		
<b>Note 9A: Other non-current liabilities</b>		
<b>Total other non-current liabilities</b>	<u>-</u>	<u>-</u>

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

	2019	2018
	\$	\$
<b>Note 10: Equity</b>		
<b>Note 10A: Other Specific Disclosures – Funds</b>		
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other funds required by rules	-	-
Total other specific disclosures	-	-
<b>Note 11: Cash Flow</b>		
<b>Note 11A: Cash flow reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash Flow Statement	18,679	81,846
Balance Sheet	18,679	81,846
Difference	-	-
<b>Reconciliation of (deficit)/ profit to net cash from operating activities:</b>		
(Loss)/ Profit for the year	(59,709)	56,834
Changes in assets/liabilities		
– Decrease/(Increase) in trade and other receivables	(2,725)	4,133
– Increase/(Decrease) in trade and other payables	(733)	733
Net cash generated from operating activities	(63,167)	61,700
<b>Note 11B: Cash Flow Information</b>		
<b>Cash inflows</b>		
Transfers from HSUWA and HSU National	83,236	227,394
Total cash inflows	83,236	227,394
<b>Cash outflows</b>		
National Office Membership (HSUA)	(114,882)	(140,674)
Australian Council of Trade Union Affiliation Fees	(35,993)	(38,050)
Total cash outflows	(150,875)	(178,724)

**Note 12: Contingent Liabilities, Assets and Commitments**

The Branch had no contingent liabilities, assets and commitments as at 30 June 2019.

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

2019      2018  
\$            \$

**Note 13: Related Party Disclosures**

The Health Services Union of WA (Union of Workers) is registered as an industrial organisation under the provisions of the Industrial Relations Act 1979 (WA) and has since the inception of the HSU WA Branch in September 1992 provided financial and other resource support to the Branch. The HSU of WA has in correspondence dated 20 September 2013 formalised the nature of that support and resolved to continue to fund the operations of the Branch by way of transfer of funds from time to time and/or the provision of staff and other resources.

The HSU of WA has undertaken to consult with the Branch should it become necessary to alter or cease this support and in any event will give at least three months' notice of any such alteration or cessation.

**Note 13A: Related Party Transactions for the Reporting Period**

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from the following:

- Health Services Union of WA	83,236	178,724
	<u>83,236</u>	<u>178,724</u>

**Terms and conditions of transactions with related parties**

The terms of the revenue received from the related party are as per Note 13 above. There have been no guarantees required or provided by the Branch for any of the revenue received from the related party. For the year ended 30 June 2019 there are no amounts owed to the Branch by a related party, declared person or body (2018: \$Nil).

**Note 13B: Key Management Personnel Remuneration for the Reporting Period**

Short-term employee benefits:

- Salary (including annual leave taken)	-	-
- Annual leave accrued	-	-
- Remuneration for attending meeting & conferences & travel allowance	-	-
- Committee honorariums	-	-
- Meeting expenses	-	-
Total short-term employee benefits	<u>-</u>	<u>-</u>

Post-employment benefits:

- Superannuation	-	-
Total post-employment benefits	<u>-</u>	<u>-</u>

Other long-term benefits:

- Long service leave	-	-
Total long-term benefits	<u>-</u>	<u>-</u>

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

2019      2018  
\$            \$

**Note 13C: Transactions with key management personnel and their close family members**

*Nil.*

**Note 14: Remuneration of Auditors**

Value of the services provided

- Financial statement audit services	1,850	1,850
- Other services	-	-
Total remuneration of auditors	<u>1,850</u>	<u>1,850</u>

**Note 15: Financial Instruments**

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

**Note 15A: Categories of Financial Instruments**

*Financial assets*

Cash and cash equivalents	18,679	81,846
Trade and other receivables	3,557	832
<i>Carrying amount of financial assets</i>	<u>22,236</u>	<u>82,678</u>

*Financial liabilities*

Trade payables	-	733
<i>Carrying amount of financial liabilities</i>	<u>-</u>	<u>733</u>

**Note 15B: Net Income and Expense from Financial Assets**

The Branch had no net income and expense from financial assets during the year ended 30 June 2019.

**Note 15C: Net Income and Expense from Financial Liabilities**

The Branch had no net income and expense from financial liabilities during the year ended 30 June 2019.

**Note 15D: Credit risk**

The Branch is not exposed to any credit risk.

The Branch does not monitor the credit risks in relation to cash and cash equivalent, which are transacted through creditworthy financial institutions. The management believes that these institutions are being subject to strict prudential norms imposed by Legislation, Reserve Bank and other regulatory authorities.

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

**Credit quality of financial instruments not past due or individually determined as impaired**

	Not Past Due Nor Impaired	Past due or impaired	Not Past Due Nor Impaired	Past due or impaired
	2019	2019	2018	2018
	\$	\$	\$	\$
Trade and other receivables	3,557	-	832	-
	<u>3,557</u>	<u>-</u>	<u>832</u>	<u>-</u>

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

**Ageing of financial assets that were past due but not impaired for 2019**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	3,557	-	-	-	3,557
	<u>3,557</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,557</u>

**Ageing of financial assets that were past due but not impaired for 2018**

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	832	-	-	-	832
	<u>832</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>832</u>

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2019 and 2018 is the carrying amounts as illustrated in Note 15D.

**Note 15E: Liquidity risk**

Liquidity risk is the risk that the Branch will encounter difficulties in meeting the contractual obligations of its financial liabilities (principally due to shortage of funds).

The Branch is not exposed to any significant liquidity risk and is therefore not actively managing its liquidity risk.

**Contractual maturities for financial liabilities 2019**

	On Demand	1 – 2 years	2 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Trade and other payables	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

**Contractual maturities for financial liabilities 2018**

	On Demand	1 – 2 years	2 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Trade and other payables	733	-	-	-	733
	<u>733</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>733</u>

**Note 15F: Market risk**

***Interest rate risk***

Interest rate risk is the risk that the fair values and cash-flows of the Branch's financial instruments will be affected by changes in the market interest rates.

The management of the Branch believes that the risk of interest rate movement would not have material impact on Branch's operations.

***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.

***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.

	Change in risk variable %	Effect on	
		Profit	Equity
		\$	\$
<b>Year ended 30 June 2019</b>			
Interest rate risk	+/-1%	-	-
<b>Year ended 30 June 2018</b>			
Interest rate risk	+/-1%	-	-

**Note 16: Fair Value Measurement**

**Note 16A: Financial Assets and Liabilities**

Management of the Branch assessed that cash and cash equivalents, trade receivables, trade payables, accruals and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.



HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Branch's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2019 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Branch based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2019 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Branch's financial assets and liabilities:

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
<b>Financial assets</b>				
Cash and cash equivalents	18,679	18,679	81,846	81,846
Trade and other receivables	3,557	3,557	832	832
<b>Total financial assets</b>	<b>22,236</b>	<b>22,236</b>	<b>82,678</b>	<b>82,678</b>
<b>Financial liabilities</b>				
Trade and other payables	-	-	733	733
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>733</b>	<b>733</b>

**Note 17: 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 subsections (1) to (3) of section 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).



## Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY  
AUDITORS AND REGISTERED SMSF AUDITORS

### Postal Address:

PO Box 229 JOONDALUP DC WA 6919

P: 1300 284 330

E: reception@amwaudit.com.au

ABN 59 125 425 274

*liability limited by a scheme approved under Professional Standards legislation*

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HEALTH SERVICES UNION WESTERN AUSTRALIA BRANCH

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of Health Services Union Western Australia Branch ("the Branch"), which comprises the statement of financial position as at 30 June 2019, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2019, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement and the report required under subsection 255(2A).

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Health Services Union Western Australia Branch as at 30 June 2019, and its financial performance and its cash flows for the year ended on that date in accordance with:

- 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 RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Branch 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Information Other than the Financial Report and Auditor's Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information; I am required to report that fact. I have nothing to report in this regard.



### **Responsibilities of Committee of Management for the Financial Report**

The Committee of Management of the Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the Branch'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 Committee of Management either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Report**

My objective is 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 the financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Branch's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Branch to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Branch audit. I remain solely responsible for my audit opinion.



I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.

*Anderson Munro & Wyllie*

**ANDERSON MUNRO & WYLLIE**

Chartered Accountants

Address: Unit 8, 210 Winton Road, Joondalup, Western Australia

**MARTIN SHONE**

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 31<sup>st</sup> day of July 2019