



30 September 2020

Naomi McRae
Secretary, Western Australia Branch
Health Services Union

Dear Naomi McRae

Re: – Financial reporting – Health Services Union, Western Australia Branch – for year ending 30 June 2020 (FR2020/61)

I refer to the financial report of the Western Australia Branch of the Health Services Union in respect of the year ending 30 June 2020. The documents were lodged with the Registered Organisations Commission ('the ROC') on 16 September 2020. A corrected designated officer's certificate was received today.

The financial report has been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with.

A primary review does not examine all disclosure requirements. Please note the report for year ending 30 June 2021 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comment.

New Australian Accounting Standards – transitional provisions

Australian Accounting Standards AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income of Not-for-Profit Entities* are applicable to not-for-profit entities for periods beginning on or after 1 January 2019. When a new Australian Accounting Standard is adopted, Australian Accounting Standard AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors* paragraph 28, requires that the entity disclose certain information about the new Australian Accounting Standard such as the title, the nature of the change and, if applicable, a description of the transitional provisions.

From the information disclosed within the GPFR, it was not clear which method the reporting unit used to transition to these standards.

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.¹ 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](#).

Please contact me on stephen.kellett@roc.gov.au if you have any questions regarding the reporting requirements.

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 2020**

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

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HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

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CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR ENDED 30 JUNE 2020

I, Naomi McCrae, 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 2020 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 25 August 2020 and
- that the full report was presented to a meeting of Committee of Management of the Branch on 14 September 2020 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Naomi McCrae

Branch Secretary

Dated: 15 September 2020

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

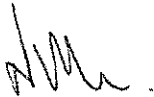
ABN 39 370 757 126

REPORT REQUIRED UNDER SUBSECTION 255(2A)

For the year ended 30 June 2020

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 2020.

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses – employees	Nil	Nil
Advertising	Nil	Nil
Operating costs	165,721	152,725
Donations to political parties	Nil	Nil
Legal costs	Nil	Nil



Naomi McCrae

Branch Secretary

Dated: 17 August 2020

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

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OPERATING REPORT

For the year ended 30 June 2020

The Branch Committee of Management ("the Committee") present their operating report on the Reporting Unit ("the Branch") for the year ended 30 June 2020.

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 2020 was 6,269 (2019: 6,178).

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

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Number of Employees

As at 30 June 2020, there are currently 2 Officers and 17 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.

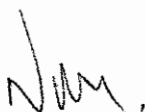
Names of Committee Members and period positions held during the financial year

As at 30th June 2020, the names of the Committee Members in office at any time during or since the end of the financial year are:

- | | | |
|-----|---------------------|--|
| 1. | Daniel Hill | Branch Secretary (1 July 2019 – 28 October 2019) |
| 2. | Naomi McCrae | Branch Secretary (29 October 2019 – continuing) |
| 3. | Christopher Panizza | Branch Assistant Secretary (1 July 2019 – continuing) |
| 4. | Cheryl Hamill | Branch President (1 July 2019 – continuing) |
| 5. | Brendan McKernan | Senior Vice President (5 July 2019 – continuing) |
| 6. | Suvi Bird | Junior Vice President (5 July 2019 – continuing) |
| 7. | David Shaw | Branch Trustee (1 July 2019 – continuing) |
| 8. | Sarah Silver | Branch Trustee (1 July 2019 – continuing) |
| 9. | John Shehade | Branch Committee Member (5 July 2019 – continuing) |
| 10. | Jonathan Nugent | Branch Committee Member (1 July 2019 – continuing) |
| 11. | Chris Goodsell | Branch Committee Member (1 July 2019 – continuing) |
| 12. | Trish Ward | Branch Committee Member (1 July 2019 – continuing) |
| 13. | Cassie Reading | Branch Committee Member (5 July 2019 – continuing) |
| 14. | Drazen Nikolic | Branch Committee Member (25 January 2019 – continuing) |
| 15. | Lisa Jones | Branch Committee Member (25 February 2019 – 24 January 2020) |

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 17 August 2020.



Naomi McCrae

Branch Secretary

Dated: 17 August 2020

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

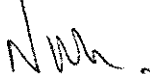
COMMITTEE OF MANAGEMENT STATEMENT

On 17 August 2020 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 2020:

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.

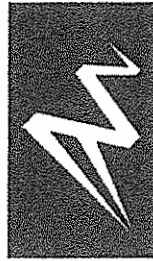
This declaration is made in accordance with a resolution of the Committee of Management.



Naomi McCrae

Branch Secretary

Dated: 17 August 2020



Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY
AUDITORS AND REGISTERED SMSF AUDITORS

Postal Address:

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P: 1300 284 330

E: reception@amwaudit.com.au

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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 2020, I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 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 18th day of August 2020

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2020

	Note	2020 \$	2019 \$
Revenue from contracts with customers	3		
Membership Subscription		10,050	9,780
Capitation Fees	3A	-	-
Levies	3B	-	-
Total Revenue from contracts with customers		10,050	9,780
Income for furthering objectives	3		
Grants and/or donations	3C	-	-
Transfers from HSU of WA		161,862	83,236
Total Income for furthering objectives		161,862	83,236
Other Income			
Revenue from recovery of wages activity	3D	-	-
Total Other Income		-	-
Total Income		171,912	93,016
Expenses			
Employee Expenses	4A	-	-
Capitation fees and other expense to another reporting unit	4B	(163,871)	(150,875)
Affiliation Expenses	4C	-	-
Administration Expenses	4D	(1,850)	(1,850)
Grants or Donations	4E	-	-
Legal Costs	4F	-	-
Other Expenses	4G	-	-
Total Expenses		(165,721)	(152,725)
Surplus/ (Deficit) For The Year		6,191	(59,709)
Other Comprehensive Income		-	-
Total Comprehensive Income/(Loss) For The Year		6,191	(59,709)

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 2020

	Note	2020 \$	2019 \$
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	5A	23,781	18,679
Trade and Other Receivables	5B	4,646	3,557
TOTAL CURRENT ASSETS		28,427	22,236
NON-CURRENT ASSETS			
TOTAL NON-CURRENT ASSETS		-	-
TOTAL ASSETS		28,427	22,236
LIABILITIES			
CURRENT LIABILITIES			
Trade Payables	7A	-	-
Other Payables	7B	-	-
TOTAL CURRENT LIABILITIES		-	-
NON-CURRENT LIABILITIES			
TOTAL NON-CURRENT LIABILITIES	9A	-	-
TOTAL LIABILITIES		-	-
NET ASSETS		28,427	22,236
EQUITY			
Retained Earnings		28,427	22,236
TOTAL EQUITY		28,427	22,236

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 2020

	Retained Earnings	Total equity
	\$	\$
Balance at 1 July 2018	81,945	81,945
Deficit For The Year	(59,709)	(59,709)
Balance at 30 June 2019	<u>22,236</u>	<u>22,236</u>
Surplus For The Year	6,191	6,191
Balance at 30 June 2020	<u>28,427</u>	<u>28,427</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 2020

		2020	2019
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt from Members		10,050	9,780
Receipts from Customers		(1,089)	(2,725)
Transfers from HSU of WA		161,862	83,236
Transfers from HSU National		-	-
Payment to National Office		(163,871)	(150,875)
Payment to Suppliers		(1,850)	(2,583)
Interest Received		-	-
Net Cash from (Used by) Operating Activities	11A	<u>5,102</u>	<u>(63,167)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Used in Investing Activities		<u>-</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Used in Financing Activities		<u>-</u>	<u>-</u>
Net Increase/ (Decrease) in Cash Held		5,102	(63,167)
Cash and Cash Equivalents at the Beginning of the Year		18,679	81,846
Cash and Cash Equivalents at the End of the Year	5A	<u>23,781</u>	<u>18,679</u>

The accompanying notes form part of these financial statements.

Note 1: Summary of Significant Accounting Policies

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 Acquisition of assets and or liabilities that do not constitute a business combination

The Branch did not 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 the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act .

Note 1: Summary of Significant Accounting Policies (continued)

1.6 Revenue

The Branch enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Branch has a contract with a customer, the Branch recognises revenue when or as it transfers control of goods or services to the customer. The Branch accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

If there is only one distinct membership service promised in the arrangement, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Branch allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Branch charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from the Branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

Capitation fees

Where the Branch's arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Branch recognises the capitation fees promised under that arrangement when or as it transfers the funds.

Note 1: Summary of Significant Accounting Policies (continued)

Capitation fees (continued)

In circumstances where the criteria for a contract with a customer are not met, the Branch will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Branch transfers the funds.

In circumstances where the criteria for a contract with a customer are not met, the Branch will recognise levies as income upon receipt (as specified in the income recognition policy below).

Income of the Branch as a Not-for-Profit Entity

Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the Branch obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the Branch's recognition of the cash contribution does not give to any related liabilities.

During the year, the Branch did not receive cash consideration whereby that consideration will be recognised as income upon receipt.

Income recognised from transfers

Where, as part of an enforceable agreement, the Branch receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Branch's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically over time. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

Note 1: Summary of Significant Accounting Policies (continued)**1.7 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.

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

1.8 Leases

The Branch assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Branch as a lessee

The Branch applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Branch recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Branch recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2020	2019
Land & buildings	40 years	40 years
Plant and equipment	2 years to 22.22 years	2 years to 22.22 years

If ownership of the leased asset transfers to the Branch at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Note 1: Summary of Significant Accounting Policies (continued)

Lease liabilities

At the commencement date of the lease, the Branch recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Branch and payments of penalties for terminating the lease, if the lease term reflects the Branch exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Branch uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.9 Borrowing Costs

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

1.10 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.

1.11 Financial Instruments

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

1.12 Financial Assets

Contract assets and receivables

A contract asset is recognised when the Branch's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Branch's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

Contract assets and receivables are subject to impairment assessment.

Note 1: Summary of Significant Accounting Policies (continued)

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.

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.

Note 1: Summary of Significant Accounting Policies (continued)

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.

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

Expected credit losses

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. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(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.

Note 1: Summary of Significant Accounting Policies (continued)

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

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.

1.13 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.

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.

1.14 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Branch transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Branch performs under the contract (i.e., transfers control of the related goods or services to the customer).

Note 1: Summary of Significant Accounting Policies (continued)

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The Branch's refund liabilities arise from customers' right of return. The liability is measured at the amount the Branch ultimately expects it will have to return to the customer. The Branch updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

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.

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.

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Note 1: Summary of Significant Accounting Policies (continued)

Depreciation(continued)

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

Class of Fixed Asset	2020	2019
Land & Buildings	40 years	40 years
Plant and Equipment	2 years to 22.22 years	2 years to 22.22 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. The useful life of Branch intangible assets is:

	2020	2019
Intangibles	10 to 20 years	10 to 20 years

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.

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 as 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:

Note 1: Summary of Significant Accounting Policies (continued)

1.22 Fair value measurement (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.

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	2020	2019
	\$	\$

Note 2: Events After the Reporting Period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods.

Note 3: Income

Disaggregation of revenue from contracts with customers

A disaggregation of the Branch's revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

Type of customer		
Members	10,050	9,780
Total revenue from contracts with customers	<u>10,050</u>	<u>9,780</u>

Disaggregation of income for furthering activities

A disaggregation of the Branch's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

Income funding sources		
Transfer from HSU of WA	161,862	83,236
Total income for furthering activities	<u>161,862</u>	<u>83,236</u>

No income was received during the reporting period for Capitation Fees, Levies, Grants or Donations.

Note 3A: Capitation Fees	<u>-</u>	<u>-</u>
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Note 3B: Levies	<u>-</u>	<u>-</u>
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Note 3C: Grants or Donations	<u>-</u>	<u>-</u>
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Note 3D: Revenue from recovery of wages activity	<u>-</u>	<u>-</u>
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	2020	2019
	\$	\$

Note 4: Expenses

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.

Note 4A: Employee Expenses

Holders of office:

- Wages and salaries	-	-
- Superannuation	-	-
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee expenses	-	-
Subtotal employee expenses holders of office	<hr/>	<hr/>

Employees other than office holders:

- Wages and salaries	-	-
- Superannuation	-	-
- Leave and other entitlements	-	-
- Separation and redundancies	-	-
- Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<hr/>	<hr/>
Total employee expenses	<hr/>	<hr/>

Note 4B: Capitation fees

National Office Membership (HSU)	(125,657)	(114,882)
Australian Council of Trade Union Affiliation Fees	(38,214)	(35,993)
Total capitation fees	<hr/>	<hr/>

Note 4C: Affiliation Fees

	<hr/>	<hr/>
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Note 4D: Administration Expenses

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	<hr/>	<hr/>

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	2020	2019
	\$	\$
Note 4E: Grants or Donations		
Grants		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	-	-

Note 4F: Legal Costs		
Litigation		
	-	-
Other legal matters		
	-	-
Total legal costs	-	-

Note 4G: Other Expenses		
Penalties - via RO Act or the Fair Work Act 2009		
	-	-
	-	-

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	23,781	18,679
Total cash and cash equivalents	23,781	18,679

Note 5B: Trade and Other Receivables

Receivables from other reporting unit	-	-
Less allowance for expected credit losses	-	-
Total receivables - net	-	-
Other receivables:		
- ATO refunds	3,758	3,557
- Subscriptions Receivable	888	-
Total other receivables	4,646	3,557
Total trade and other receivables	4,646	3,557

Note 6: Non-current Assets

The Branch has no non-current assets.

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2020 2019
\$ \$

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	-	-

Note 7B: Other payables

Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs:		
Litigation	-	-
Other legal costs	-	-
ATO payable	-	-
Total other payables	-	-
Total trade and other payables	-	-

Note 8: Provisions

Note 8A: Employee Provisions

Office holders:		
- Annual leave	-	-
- Long service leave	-	-
- Separation and redundancies	-	-
- Other employee provisions	-	-
Subtotal employee provisions – office holders	-	-
Employees other than office holders:		
- Annual leave	-	-
- Long service leave	-	-
- Separation and redundancies	-	-
- Other employee provisions	-	-
Subtotal employee provisions – employees other than office holders	-	-
Total employee provisions	-	-

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	2020	2019
	\$	\$
Note 8A: Employee Provisions (continued)		
Current	-	-
Non-current	-	-
Total employee provisions	<u>-</u>	<u>-</u>
Note 9: Non-current Liabilities		
Note 9A: Other non-current liabilities		
Total other non-current liabilities	<u>-</u>	<u>-</u>
Note 10: Equity		
Note 10A: Other Specific Disclosures – Funds		
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other funds required by rules	-	-
Total other specific disclosures	<u>-</u>	<u>-</u>
Note 11: Cash Flow		
Note 11A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash Flow Statement	23,781	18,679
Balance Sheet	23,781	18,679
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus/(deficit) to net cash from operating activities:		
Surplus/ (Deficit) for the year	6,191	(59,709)
Changes in assets/liabilities		
– Decrease/(Increase) in trade and other receivables	(1,089)	(2,725)
– Increase/(Decrease) in trade and other payables	-	(733)
Net cash generated from operating activities	<u>5,102</u>	<u>(63,167)</u>
Note 11B: Cash Flow Information		
Cash inflows		
Transfers from HSU of WA	161,862	83,236
Total cash inflows	<u>161,862</u>	<u>83,236</u>

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	2020	2019
	\$	\$
Note 11B: Cash Flow Information (continued)		
Cash outflows		
National Office Membership (HSUA)	(125,657)	(114,882)
Australian Council of Trade Union Affiliation Fees	(38,214)	(35,993)
Total cash outflows	<u>(163,871)</u>	<u>(150,875)</u>

Note 12: Contingent Liabilities, Assets and Commitments

The Branch had no contingent liabilities, assets and commitments as at 30 June 2020.

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	161,862	83,236
Expenses paid to related party	-	-
Amounts owed by related party	-	-
Amounts owed to related party	-	-
Loans from/to related party	-	-
Assets transferred from/to related party	-	-
Payments made to a former related party	-	-
	<u>161,862</u>	<u>83,236</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 2020 there are no amounts owed to the Branch by a related party, declared person or body (2019: \$Nil).

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	2020	2019
	\$	\$
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>

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

Loans to/from key management personnel	-	-
Other transactions with key management personnel	-	-

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	23,781	18,679
Trade and other receivables	4,646	3,557
Carrying amount of financial assets	<u>28,427</u>	<u>22,236</u>

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	2020	2019
	\$	\$
Note 15A: Categories of Financial Instruments (continued)		
<i>Financial liabilities</i>		
Trade payables	-	-
Carrying amount of financial liabilities	<u>-</u>	<u>-</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 2020.

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 2020.

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.

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

	Not Past Due Nor Impaired	Past due or impai red	Not Past Due Nor Impaired	Past due or impaired
	2020	2020	2019	2019
	\$	\$	\$	\$
Trade and other receivables	4,646	-	3,557	-
	<u>4,646</u>	<u>-</u>	<u>3,557</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 2020

	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$
Trade and other receivables	4,646	-	-	-	4,646
	<u>4,646</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,646</u>

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	2020				2019
	\$				\$
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>

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2020 and 2019 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 2020

	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>

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>

Lease liability maturities for 2020

	On Demand	1 – 2 years	2 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Lease liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

Lease liability maturities for 2019

	On Demand	1 – 2 years	2 – 5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Lease liabilities	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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2020 2019
\$ \$

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 \$
Year ended 30 June 2020			
Interest rate risk	+/-1%	-	-
Year ended 30 June 2019			
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.

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 2020 was assessed to be insignificant
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

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2020 2019
\$ \$

Note 16A: Financial Assets and Liabilities (continued)

- 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 2020 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 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
Financial assets				
Cash and cash equivalents	23,781	23,781	18,679	18,679
Trade and other receivables	4,646	4,646	3,557	3,557
Total financial assets	28,427	28,427	22,236	22,236
Financial liabilities				
Trade and other payables	-	-	-	-
Total financial liabilities	-	-	-	-

Note 17: Administration of financial affairs by a third party

Name of entity providing service: Not Applicable

Terms and conditions: Not Applicable

Nature of expenses/consultancy service: Not Applicable

Detailed breakdown of revenues collected and/or expenses incurred

Revenue		
Membership subscription	-	-
Capitation fees	-	-
Levies	-	-
Interest	-	-
Rental income	-	-
Other revenue	-	-
Grants and/or donations	-	-
Total revenue	-	-

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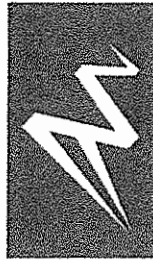
	2020	2019
	\$	\$
Detailed breakdown of revenues collected and/or expenses incurred (continued)		
Expenses		
Employee expense	-	-
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Administration expenses	-	-
Grants or donations	-	-
Finance costs	-	-
Legal costs	-	-
Audit fees	-	-
Penalties - via RO Act or the Fair Work Act 2009	-	-
Other expenses	-	-
Total expenses	<u>-</u>	<u>-</u>

Note 18: 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 the Branch, or the Commissioner, may apply to the Branch for specified prescribed information in relation to the Branch 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 Branch.
- (3) The Branch must comply with an application made under subsection (1).



Anderson Munro & Wyllie

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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 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020, 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 2020, 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

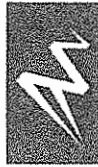
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Branch in accordance with the ethical requirements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

M. Shone

MARTIN SHONE

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 18th day of August 2020