



13 November 2018

Mr Daniel Hill  
Branch Secretary  
Health Services Union-Western Australia Branch

By e-mail: [dhill@hsuwa.com.au](mailto:dhill@hsuwa.com.au)

CC: [reception@amwaudit.com.au](mailto:reception@amwaudit.com.au)

Dear Mr Hill,

**Health Services Union-Western Australia Branch  
Financial Report for the year ended 30 June 2018 - [FR2018/166]**

I acknowledge receipt of the financial report of the Health Services Union-Western Australia Branch (**HSU-WA**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 23 October 2018.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that 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 that the financial report for the year ending 30 June 2019 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 comments to assist you when you next prepare a financial report. The ROC will confirm these matters have been addressed prior to filing next year's report.

Nil activities disclosure

Item 21 of the reporting guidelines (RGs) states that if any activities described within items 10-20 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 notes contained nil activity information for all prescribed RG categories except the following:

- 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
- have another entity administer the financial affairs of the reporting unit
- 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**

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

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

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [Kylie.Ngo@roc.gov.au](mailto:Kylie.Ngo@roc.gov.au).

Yours sincerely



**Kylie Ngo**  
**Financial Reporting Assistant**  
**Registered Organisations Commission**

## **Health Services Union, WA Branch**

s.268 of the Fair Work (Registered Organisations) Act 2009

### **CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the year ending 30 June 2018

I Daniel Patrick Hill being the Branch Secretary of the Health Services Union, WA Branch certify:

- that the documents lodged herewith are copies of the full report for the Health Services Union, WA Branch for the period ending 30 June 2018 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members on 7<sup>th</sup> September 2018; and
- that the full report was presented to a meeting of the Committee of Management of the reporting unit on 22<sup>nd</sup> October 2018 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature:



Name: Daniel Patrick Hill

Title: Branch Secretary, HSU WA Branch

Date: 23<sup>rd</sup> October 2018

**HEALTH SERVICES UNION  
WESTERN AUSTRALIAN BRANCH**

**ABN 39 370 757 126**

**GENERAL PURPOSE FINANCIAL REPORT  
FOR THE YEAR ENDED 30 JUNE 2018**

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

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HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

REPORT REQUIRED UNDER SUBSECTION 255(2A)

For the year ended 30 June 2018

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 2018.

Categories of expenditures	2018 \$	2017 \$
Remuneration and other employment-related costs and expenses – employees	Nil	Nil
Advertising	Nil	Nil
Operating costs	180,574	177,657
Donations to political parties	Nil	Nil
Legal costs	Nil	Nil



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Daniel Hill

Branch Secretary

Dated: 3<sup>rd</sup> day of September 2018

**OPERATING REPORT**

For the year ended 30 June 2018

The Branch Committee of Management ("the Committee") present their operating report on the Reporting Unit ("the Branch") for the year ended 30 June 2018.

**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.

**Operating Results**

The Branch's profit for the year amounted to \$56,834 (2017: \$6,938)

**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) or director of a company that is a superannuation fund trustee**

Nil.

**Number of Members**

The number of persons that were members of the union at 30 June 2018 was 5,898 (2017: 5,881).

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### Number of Employees


As at 30 June 2018, there are currently 2 Officers and 16 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 2017 – continuing)
2.	Christopher Panizza	Branch Assistant Secretary (1 July 2017 – continuing)
3.	Cheryl Hamill	Branch President (1 July 2017 – continuing)
4.	David Shaw	Branch Trustee (1 July 2017 – continuing)
5.	Sarah Silver	Branch Trustee (1 July 2017 – continuing)
6.	Jodie Freeman	Branch Senior Vice President (1 July 2017– continuing)
7.	John Shehade	Branch Junior Vice President (1 July 2017– continuing)
8.	Brendan McKernan	Branch Committee Member (1 July 2017 – continuing)
9.	Suvi Bird	Branch Committee Member (1 July 2017 – continuing)
10.	Patricia Ward	Branch Committee Member (1 July 2017 – continuing)
11.	John Walker	Branch Committee Member (1 July 2017 – continuing)
12.	Jonathan Nugent	Branch Committee Member (1 July 2017 – continuing)
13.	Chris Goodsell	Branch Committee Member (1 July 2017 – continuing)
14.	Kim Larsen	Branch Committee Member (1 July 2017-28 November 2017)
15.	Zeone Marsh	Branch Committee Member (29 December 2017 –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 3<sup>rd</sup> September 2018.



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**Daniel Hill**

Branch Secretary

Dated: 3<sup>rd</sup> day of September 2018



## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

### COMMITTEE OF MANAGEMENT STATEMENT

On 3<sup>rd</sup> September 2018, 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 2018:

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.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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



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**Daniel Hill**

Branch Secretary

Dated: 3<sup>rd</sup> day of September 2018



## Anderson Munro & Wyllie

CHARTERED ACCOUNTANTS, REGISTERED COMPANY  
AUDITORS AND REGISTERED SMSF AUDITORS

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**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 2018, I declare that, to the best of my knowledge and belief, during the period ended 30 June 2018 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

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**Martin Shone**

Principal

Dated at Perth, Western Australia this 4<sup>th</sup> day of September 2018

## HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

ABN 39 370 757 126

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2018

	Note	2018 \$	2017 \$
<b>Revenue</b>			
Membership Subscription		10,014	9,124
Capitation Fees	2A	-	-
Levies	2B	-	-
Interest Received		-	2
Grants or donations	2C	-	-
Transfers from HSU of WA		178,724	175,469
Transfers from HSU National	2D	48,670	-
Revenue from recovery of wages activity		-	-
<b>Total Revenue</b>		<b>237,408</b>	<b>184,595</b>
<b>Expenses</b>			
Employee Expenses	3A	-	-
Capitation Fees	3B	(178,724)	(175,803)
Affiliation Fees	3C	-	-
Administration Expenses	3D	(1,850)	(1,854)
Grants or Donations	3E	-	-
Legal Costs	3F	-	-
Other Expenses	3G	-	-
<b>Total Expenses</b>		<b>(180,574)</b>	<b>(177,657)</b>
<b>Surplus For The Year</b>		<b>56,834</b>	<b>6,938</b>
Other Comprehensive Income		-	-
<b>Total Comprehensive Income For The Year</b>		<b>56,834</b>	<b>6,938</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 2018

	Note	2018	2017
		\$	\$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4A	81,846	20,146
Trade and Other Receivables	4B	832	4,965
<b>TOTAL CURRENT ASSETS</b>		<b>82,678</b>	<b>25,111</b>
<b>NON-CURRENT ASSETS</b>			
<b>TOTAL NON-CURRENT ASSETS</b>		<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>		<b>82,678</b>	<b>25,111</b>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade and Other Payables	5A	733	-
Employee Provisions	6A	-	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>733</b>	<b>-</b>
<b>NON-CURRENT LIABILITIES</b>			
Employee Provisions	6A	-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>733</b>	<b>-</b>
<b>NET ASSETS</b>		<b>81,945</b>	<b>25,111</b>
<b>EQUITY</b>			
Retained Earnings		81,945	25,111
<b>TOTAL EQUITY</b>		<b>81,945</b>	<b>25,111</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 2018

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2016</b>	<b>18,173</b>	<b>18,173</b>
Surplus For The Year	6,938	6,938
<b>Balance at 30 June 2017</b>	<b>25,111</b>	<b>25,111</b>
Surplus For The Year	56,834	56,834
<b>Balance at 30 June 2018</b>	<b>81,945</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 CASH FLOWS  
FOR THE YEAR ENDED 30 JUNE 2018

		2018	2017
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipt from Members		10,014	8,379
Receipts from Customers		4,133	-
Transfers from HSU of WA		178,724	175,469
Transfers from HSU National		48,670	-
Payment to National Office		(178,724)	(175,803)
Payment to Suppliers		(1,117)	(2,265)
Interest Received		-	2
Cash Generated from Operating Activities	8A	<u>61,700</u>	<u>5,782</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>
Increase in Cash and Cash Equivalents During the Year		61,700	5,782
Cash and Cash Equivalents at the Beginning of the Year		20,146	14,364
Cash and Cash Equivalents at the End of the Year	4A	<u>81,846</u>	<u>20,146</u>

The accompanying notes form part of these financial statements

**Note 1: Summary of Significant Accounting Policies**

**Basis of Preparation**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the *Fair Work (Registered 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.

**Accounting Policies**

**(a) Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

**(b) Gains**

***Sale of Assets***

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

**(c) 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.

**(d) 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.

HEALTH SERVICES UNION WESTERN AUSTRALIAN BRANCH

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

**(d) Employee Benefits (continued)**

Other long-term employee benefits 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.

**(e) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

**(f) Borrowing Costs**

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

**(g) 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.

**(h) Financial Instruments**

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.



**Note 1: Summary of Significant Accounting Policies (Continued)****(i) Financial Assets**

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

**(i) *Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Branch manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Branch documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

**(ii) *Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the Branch has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

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

**(i) Financial Assets (Continued)**

**(iii) Available-for-sale**

The Branch is aware of the accounting policies and standards that are required in the circumstances where listed shares and listed redeemable notes are held as investments by the Branch but no such shares or notes are held by the Branch.

**(iv) Loan and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

**(v) Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

**(vi) Impairment of financial assets**

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Branch past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

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

**(i) Financial Assets (Continued)**

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

**(vii) *Derecognition of financial assets***

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

**(j) Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

**(i) *Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or

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

**(j) Financial Liabilities (Continued)**

- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

**(ii) Other financial liabilities**

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

**(iii) Derecognition of financial liabilities**

The Branch derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**(k) 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.

**(l) Inventories on Hand**

Inventories are measured at the lower of cost and current replacement cost.

Inventories acquired at no cost or for nominal consideration are measured at the current replacement cost as at the date of acquisition.

**Note 1: Summary of Significant Accounting Policies (Continued)****(m) 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.

The depreciation rates used for each class of depreciable assets 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.

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

**(n) 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.

**(o) Impairment for Non-Financial Assets**

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs to sell 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 was deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**(p) Taxation**

The Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

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

**(q) Fair Value Measurement**

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, 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 12.

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:

- 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.

**(r) Comparative Figures**

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



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

**(s) Accounts Payable and Other Payables**

Accounts payable and other payables represent the liability outstanding at the end of the reporting period for goods and services received by the company during the reporting period which remain unpaid. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

**(t) Significant Accounting Judgements and Estimates**

The Branch evaluates estimates and judgments 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 judgments**

*Available-for-sale investments*

Nil

**(u) 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, some of which are relevant to the Branch. The Committee of Management have decided not to early adopt any of the new and amended pronouncements. Their assessment of the pronouncements that are relevant to the company but applicable in future reporting periods is set out below:

**- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019).**

When effective, this Standard will replace the current accounting requirements applicable to leases in AASB 117: Leases and related Interpretations. AASB 16 introduces a single lessee accounting model that eliminates the requirement for leases to be classified as operating or finance leases.

The main changes introduced by the new Standard are as follows:

- recognition of a right-of-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
- depreciation of right-of-use assets in line with AASB 116: *Property, Plant and Equipment* in profit or loss and unwinding of the liability in principal and interest components;
- inclusion of variable lease payments that depend on an index or a rate in the initial measurement of the lease liability using the index or rate at the commencement date;
- application of a practical expedient to permit a lease to elect not to separate non-lease components and instead account for all components as a lease; and
- inclusion of additional disclosure requirements.



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

The transitional provisions of AASB 16 allow a lessee to either retrospectively apply the Standard to comparatives in line with AASB 108: *Accounting Policies, Changes in Accounting Estimates and Errors* or recognise the cumulative effect of retrospective application as an adjustment to opening equity on the date of initial application.

Although the Committee of Management anticipate that the adoption of AASB 16 will impact the Branch's financial statements, it is impracticable at this stage to provide a reason estimate of such impact.

**(v) 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 9.

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

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**Note 2: Income**

No income was received during the reporting period for Capitation Fees, Levies, Grants or Donations. Support was received from the HSU National reporting unit of the organisation.

	2018	2017
	\$	\$
<b>Note 2A: Capitation Fees</b>	-	-
<b>Note 2B: Levies</b>	-	-
<b>Note 2C: Grants or Donations</b>	-	-
<b>Note 2D: Support from HSU National</b>	48,670	-

**Note 3: 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 3A: 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	-	-

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	-	-
Total employee expenses	-	-

**Note 3B: Capitation Fees**

National Office Membership (HSU)	(140,674)	(140,984)
Australian Council of Trade Union Affiliation Fees	(38,050)	(34,819)
Total capitation fees	(178,724)	(175,803)

**Note 3C: Affiliation Fees**

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	2018	2017
	\$	\$
<b>Note 3D: Administration Expenses</b>		
Audit fees	1,850	1,854
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>1,854</u>

**Note 3E: 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	<u>-</u>	<u>-</u>

**Note 3F: Legal Costs**

Litigation	-	-
Other legal matters	-	-
Total legal costs	<u>-</u>	<u>-</u>

**Note 3G: Other Expenses**

Penalties - via RO Act or RO Regulations	-	-
	<u>-</u>	<u>-</u>

**Note 4: 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 4A: Cash and Cash Equivalents**

Cash at bank	81,846	20,146
Total cash and cash equivalents	<u>81,846</u>	<u>20,146</u>

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	2018	2017
	\$	\$
<b>Note 4B: Trade and Other Receivables</b>		
Receivables from other reporting unit	-	-
Less provision for doubtful debts	-	-
Total receivables - net	<u>-</u>	<u>-</u>
Other receivables:		
- ATO refunds	-	4,146
- Subscriptions Receivable	832	819
Total other receivables	<u>832</u>	<u>4,965</u>
Total trade and other receivables	<u>832</u>	<u>4,965</u>

**Note 5: 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 5A: Trade and Other Payables**

Payables to other reporting units	-	-
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
Total trade and other payables- net	<u>-</u>	<u>-</u>
Other payables:		
ATO payable	733	-
Total other payables	<u>733</u>	<u>-</u>
Total trade and other payables	<u>733</u>	<u>-</u>

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	2018	2017
	\$	\$
<b>Note 6: Provisions</b>		
<b>Note 6A: Employee Provisions</b>		
Office holders:		
– Annual leave	-	-
– Long service leave	-	-
– Separation and redundancies	-	-
– Other employee provisions	-	-
Subtotal employee provisions – office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
– Annual leave	-	-
– Long service leave	-	-
– Separation and redundancies	-	-
– Other employee provisions	-	-
Subtotal employee provisions – employees other than office holders	<u>-</u>	<u>-</u>
Total employee provisions	<u>-</u>	<u>-</u>
Current	-	-
Non current	-	-
Total employee provisions	<u>-</u>	<u>-</u>
<b>Note 7: Other Specific Disclosures – Funds</b>		
Compulsory levy/voluntary contribution fund – if invested in assets	-	-
Other funds required by rules	-	-
Total other specific disclosures	<u>-</u>	<u>-</u>

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	2018	2017
	\$	\$
<b>Note 8: Cash Flow</b>		
<b>Note 8A: 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	81,846	20,146
Balance Sheet	81,846	20,146
<b>Difference</b>	<u>-</u>	<u>-</u>
<b>Reconciliation of profit to net cash from operating activities:</b>		
Profit for the year	56,834	6,938
Changes in assets/liabilities		
– Decrease/(Increase) in trade and other receivables	4,133	(1,156)
– Increase in trade and other payables	733	-
<b>Net cash generated from operating activities</b>	<u>61,700</u>	<u>5,782</u>
<b>Note 8B: Cash Flow Information</b>		
<b>Cash inflows</b>		
Transfers from HSUWA and HSU National	227,394	175,469
<b>Total cash inflows</b>	<u>227,394</u>	<u>175,469</u>
<b>Cash outflows</b>		
National Office Membership (HSUA)	(140,674)	(140,984)
Australian Council of Trade Union Affiliation Fees	(38,050)	(34,819)
<b>Total cash outflows</b>	<u>(178,724)</u>	<u>(175,803)</u>

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### Note 9: 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 9A: 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.

	2018	2017
	\$	\$
Revenue received from the following:		
– Health Services Union of WA	178,724	184,593
	<u>178,724</u>	<u>184,593</u>

### Terms and conditions of transactions with related parties

The terms of the revenue received from the related party are as per Note 9 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 2018 there are no amounts owed to the Branch by a related party, declared person or body (2017: \$Nil).

### Note 9B: 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>

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### Note 9C: Disclosure of Remuneration and Non-Cash Benefits by Officers

Rule 85 of the Branch Rules requires disclosure by Officers of remuneration and cash benefits paid to the Officer because the officer is a member of, or holds a position with, a board because the officer is an officer of the Branch; or because the officer was nominated, proposed, recommended or suggested for the membership of, or position with, the board by the Union, a Branch or a peak council; or by any related party of the Branch, in connection with the performance of the officer's duties as an officer.

The following disclosures are made:

Dan Hill, WA Branch Secretary and National Senior Vice President – Nominated by the National Executive - Director, Community Services and Health Industry Skills Council – Directors Fees \$nil (2017: \$8,375) and paid to the HSU of WA (see Note 9).

Dan Hill, WA Branch Secretary and National Senior Vice President – suggested by UnionsWA (peak body) – Member State Training Board – Sitting Fees \$3,580.50 GST inclusive (2017: \$10,741) and paid to UnionsWA.

### Note 9D: Disclosure of Remuneration Paid to the Highest Paid Officers

Rule 86 of the Branch Rules requires disclosure of certain details relating to remuneration paid to the highest paid officers of the Branch. Pursuant to Note 9 remuneration and employment benefits provided to Officers of the Branch are made by the Health Services Union of WA (Union of Workers) and the payments disclosed are therefore not otherwise accounted for in the Branch GPF. The following disclosures are made:

- Dan Hill, WA Branch Secretary and National Senior Vice President (all payments made by the HSU of WA).
  - Salary \$152,230 (2017: \$140,869)
  - Employer Superannuation contribution \$25,849 (2017: \$25,461)
  - Salary Packaging Super \$nil (2017: \$9,120)
  - Private Use of Union Supplied Vehicle (Non-Cash Benefit) \$13,608 (2017: \$17,250)
  
- Christopher Panizza, WA Branch Assistant Secretary and Member of National Executive (all payments made by the HSU of WA).
  - Salary \$113,233 (2017: \$111,128)
  - Employer Superannuation contribution \$18,338 (2017: \$18,160)
  - Salary Packaging Super \$15,600 (2017: \$15,600)
  - Private Use of Union Supplied Vehicle (Non-Cash Benefit) \$11,672 (2017: \$11,882)

### Note 10: Remuneration of Auditors

	2018	2017
	\$	\$
Value of the services provided		
- Financial statement audit services	1,850	1,854
- Other services & membership audit	-	-
Total remuneration of auditors	<u>1,850</u>	<u>1,854</u>



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### Note 11: Events after the reporting period

There were no events that occurred after 30 June 2018, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

### Note 12: Financial Instruments

The Branch's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

#### Note 12A: Categories of Financial Instruments

	2018	2017
	\$	\$
<b><i>Financial assets</i></b>		
Cash and cash equivalents	81,846	20,146
Trade and other receivables	832	4,965
<b><i>Carrying amount of financial assets</i></b>	<b>82,678</b>	<b>25,111</b>
<b><i>Financial liabilities</i></b>		
Trade payables	733	-
<b><i>Carrying amount of financial liabilities</i></b>	<b>733</b>	<b>-</b>

#### Note 12B: Net Income and Expense from Financial Assets

##### Held-to-Maturity

Interest revenue	-	2
	<b>-</b>	<b>2</b>

#### Note 12C: Net Income and Expense from Financial Liabilities

The Branch had no net income and expense from financial liabilities during the year ended 30 June 2018.

#### Note 12D: 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.

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**Note 12D: Credit risk (continued)**

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

	Not Past Due Nor Impaired 2018 \$	Past due or impaired 2018 \$	Not Past Due Nor Impaired 2017 \$	Past due or impaired 2017 \$
Trade and other receivables	832	832	819	819
	<u>832</u>	<u>832</u>	<u>819</u>	<u>819</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>

**Ageing of financial assets that were past due but not impaired for 2017**

	0 to 30 days \$	31 to 60 days \$	61 to 90 days \$	90+ days \$	Total \$
Trade and other receivables	4,965	-	-	-	4,965
	<u>4,965</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,965</u>

**Note 12E: 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 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>

**Contractual maturities for financial liabilities 2017**

	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>

**Note 12F: 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 2018</b>			
Interest rate risk	+/-1%	-	-
<b>Year ended 30 June 2017</b>			
Interest rate risk	+/-1%	-	-

**Note 13: Fair Value Measurements****Note 13A: 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 2018 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 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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**Note 13A: Financial Assets and Liabilities (continued)**

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

	<b>Carrying amount 2018 \$</b>	<b>Fair value 2018 \$</b>	<b>Carrying amount 2017 \$</b>	<b>Fair value 2017 \$</b>
<b>Financial assets</b>				
Cash and cash equivalents	81,846	81,846	20,146	20,146
Trade and other receivables	832	832	4,965	4,965
<b>Total financial assets</b>	<b>82,678</b>	<b>82,678</b>	<b>25,111</b>	<b>25,111</b>
<b>Financial liabilities</b>				
Trade and other payables	733	733	-	-
<b>Total financial liabilities</b>	<b>733</b>	<b>733</b>	<b>-</b>	<b>-</b>

**Note 14: 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

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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 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2018, 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 2018, 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*

**MARTIN SHONE**

Principal & Registered Company Auditor

RO Registration number AA2017/8

Dated at Perth, Western Australia this 4<sup>th</sup> day of September 2018