

# HSU SA/NT

## FINANCIAL STATEMENTS 2016-17

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**Independent Audit Report to the Members of Health Services Union SA/NT**

**Audit of the Financial Report**

**Opinion**

I have audited the financial report of the Health Services Union SA/NT ("the Union"), which comprises the Statement of Financial Position as at 30 June 2017, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended 30 June 2017, Notes to the Financial Statements including a Summary of Significant Accounting Policies and the Committee of Management Statement.

In my opinion the accompanying Financial Report presents fairly, in all material aspects, the financial position of the Union as at 30 June 2017 and its financial performance and 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 believe that management's use of the going concern basis in the preparation of the Financial Report of the Union is appropriate.

**Basis of Opinion**

I have conducted my audit in accordance with Australian Auditing Standards. My responsibilities are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section below. I am independent of the Union 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 my Report Thereon**

The Committee of Management ("the Committee") is responsible for the other information contained in the Operating Report provided at the date of this report and accompanying and forming part of the Financial Report.

I have not audited the Operating Report and accordingly I do not express any assurance conclusion on the contents thereof.

As part of my audit of the Financial Report I am required to consider the other information and whether it contains information that is materially inconsistent or misstated and report accordingly. I have nothing to report in this regard.

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

The Committee of the Union is responsible for the preparation of the Financial Report which 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 facilitate the preparation of the Financial Report that meets this requirement and is free of material misstatement, whether due to fraud or error.

The Committee is also required to consider the Union's ability to continue as a going concern disclosing relevant matters unless the Committee intend to wind up the Union or cease operations or have no realistic alternative.

### **My 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 of material misstatement, whether due to fraud or error and to provide an auditor's report that includes my opinion. Reasonable assurance is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement where one 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 based on the Financial Report.

In conducting my audit, in accordance with Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism. I also:

- Assess and identify the risk of material misstatement in the Financial Report, whether due to fraud or error and design and perform audit procedures in response to those risks and obtain sufficient and appropriate audit evidence to support my opinion. Non detection involving fraud presents a higher risk than error because fraud involves intentional concealment.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not to express an opinion on the effectiveness of the Union's internal control.
- Evaluate the appropriateness of accounting policies adopted and the reasonableness of accounting estimates and related disclosures made by the Committee.
- Draw a conclusion on the appropriateness of the Committee's use of the going concern basis of accounting and based on audit evidence obtained, assess whether material uncertainty exists that surrounds the Union's ability to continue as a going

concern. If I conclude that significant doubt exists, I am required to include this in my auditor's report and if such matters are inadequately disclosed, to modify my opinion. My conclusion applies to the date of my auditor's report however future events or conditions may cause the Union to cease to meet the going concern requirements.

- Evaluate the overall presentation and content of the Financial Report, including disclosures so that it represents the underlying transactions and events and achieves a fair presentation.
- Obtain sufficient audit evidence with respect to the financial information of the Union's activities to express an opinion on the Financial Report. I am solely responsible for all aspects of the Union's audit, including my audit opinion.

I communicate with the Responsible Officer regarding, among other things, the planned scope and timing of the audit and any significant audit findings, including deficiencies in internal control that I may identify during my audit.

I declare that I am an approved auditor, a member of the Institute of Chartered Accountants and hold a current Public Practice Certificate.



**Michael D. Mackenroth**  
Registered Auditor Number 5371

13.11.2017



**HEALTH SERVICES UNION SA BRANCH**  
**ABN 35 898 865 510**

**OPERATING STATEMENT FOR THE YEAR ENDED 30 JUNE 2017**

The operating report has been prepared by the designated officer, Jorge Navas.

**Review of principal activities and any significant changes in the nature of those activities during the year.**

The principal activities of the union during the year was that of a trade union to improve the rights of members, maintain reasonable working conditions including fair wages and industrial conditions for the members. There were no significant changes to the principal activities during the year.

**Significant changes in financial affairs**

**Significant Changes**

**Nature of Change**

*Revenue from members subscriptions increased by 4%.*

*This was due to faster collections as reflected by the increase in subscriptions in advance.*

*A grant of \$50,000 was received.*

*This allowed an additional person to be employed. This was reflected by a 20% increase in employee expenses.*

*An additional motor vehicle was acquired.*

*This was as a result of the additional employee.*

*Capitation Fees, Affiliation Fees and Administrative Expenses increased by 26% overall.*

*General increase in costs.*

**Resignation Rules**

- (1) A member may resign from the Branch by written notice addressed and delivered to the Branch Secretary or a Branch of the Union;
- (2) Such notice takes effect
  - (a) Where the member becomes ineligible to be a member of the Union
    - (i) On the day in which the notice is received by the organisation; or
    - (ii) On the day specified in the notice and not earlier than the day of ineligibility, whichever is later; or
  - (b) In any other case
    - (i) At the end of two weeks after the notice is received by the Union; or
    - (ii) The day specified in the notice whichever is the later.
- (3) Any member resigning shall be liable for payment of all subscriptions, fines and levies owing to the Union under the Rules at the date of leaving, and such monies may be sued for and recovered by the Union.
- (4) A notice delivered in person to the Branch Secretary is taken to have been received by the Union when it was delivered.
- (5) A notice of resignation is not invalid because it was not addressed and delivered in accordance with subsection (1).

- (6) A resignation is valid even if it is not affected in accordance with these provisions if the member is informed in writing by or on behalf of the organisation that the resignation has been accepted by the Union.

The number of members at the end of the financial year was 1,052 and there were 3 full time equivalent employees at that time.

#### **Branch Committee of Management**

The following members were on the Committee of Management during the year.

|                   |                                     |                            |
|-------------------|-------------------------------------|----------------------------|
| Anthony Newman    | President                           | 1 Jul 2016 to 30 Jun 2017  |
| Bruno Sonza       | Senior Vice President               | 1 Jul 2016 to 30 Jun 2017  |
| Chi-Wing Sung     | Junior Vice President               | 1 Jul 2016 to 11 July 2016 |
| Polly Paerata     | Junior Vice President               | 8 Aug 2016 to 30 Jun 2017  |
| Jorge Navas       | Secretary                           | 1 Jul 2016 to 30 Jun 2017  |
| Thomas DiSanto    | Assistant Secretary                 | 1 Jul 2016 to 30 Jun 2017  |
| Mark Panes        | Trustee                             | 1 Jul 2016 to 30 Jun 2017  |
| Riccardo Ianella  | Trustee                             | 1 Jul 2016 to 30 Jun 2017  |
| Lida Sam          | Ordinary Member of Branch Committee | 1 Jul 2016 to 30 Jun 2017  |
| Catherine Painter | Ordinary Member of Branch Committee | 1 Jul 2016 to 30 Jun 2017  |
| Karryn Sampson    | Ordinary Member of Branch Committee | 1 Jul 2016 to 30 Jun 2017  |
| Lesley Dummin     | Ordinary Member of Branch Committee | 1 Jul 2016 to 30 Jun 2017  |
| John Hristopolous | Ordinary Member of Branch Committee | 1 Jul 2016 to 30 Jun 2017  |

#### **Superannuation Trustees**

No officer, employee, official of the reporting unit held has been a trustee or director of a corporate trustee of any superannuation entity where such position is dependent upon them being a member of the Union.



**Branch Secretary**

**Health Services Union SA NT Branch**

**Date: 13 November 2017**

**HEALTH SERVICES UNION – SA/NT BRANCH**  
**ABN 35 898 865 510**

**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 30 JUNE 2017**

On 13 November 2017 the Branch Committee of Management of the Health Services Union – South Australia (the Committee) passed the following resolution in relation to the general purpose financial report (GPFR), for the year ended 30 June 2017.

The Branch Committee declares that in its opinion:

- a) the GPFR complies with Australian Accounting Standards;
- b) the GPFR complies with the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the GPFR gives a true and fair view of the financial [performance, financial position and cash flows of the Health Services Union – SA/NT Branch (HSUSANT) for the financial year;
- d) there are reasonable grounds to believe that HSUSANT will be able to pay its debts as and when they fall due for payment and;
- e) during the financial year and to the date of this resolution:
  - (i) committee meetings have been held in accordance with the rules of the organisation, including branch rules (the rules);
  - (ii) the financial affairs have been managed in accordance with the rules;
  - (iii) the financial records have been kept and maintained in accordance with the RO Act;
  - (iv) the financial records have been kept, as far as practicable, in a consistent manner with other reporting units;
  - (v) any request for information by a member or general manager under Section 272 of the RO Act has been provided to that person;
  - (vi) no order of inspection of the financial records made by the Commission under Section 273 of the RO Act has been complied with;
- (f) no revenue has been derived from undertaking recovery of wages activity during the year.

Made in accordance with a resolution of the Committee.



Designated Officer:

Name and Title of Designated Officer.      Jorge Navas, Secretary SA/NT Branch

Dated:      13 November 2017



**Statement of Comprehensive Income for the Year Ended 30 June 2017**

|   | Note | 2017             | 2016             |
|---|------|------------------|------------------|
| <b>Revenue</b>  |      |                  |                  |
| Capitation Fees   | 3A   |                  |                  |
| <b>Levies</b>   |      |                  |                  |
| Member Subscriptions  |      | 443,255          | 424,156          |
| Interest Received   | 3C   | 4,277            | 4,195            |
| Other Revenue   | 3D   | 541              |                  |
| <b>Total Revenue</b>  |      | <u>448,073</u>   | <u>428,351</u>   |
| <b>Other Income</b>   |      |                  |                  |
| Grants/Donations  | 3E   | 50,000           |                  |
| <b>Total other income</b>   |      | <u>50,000</u>    |                  |
| <b>Total Income</b>   |      | 498,073          | 428,351          |
| <b>Expenses</b>   |      |                  |                  |
| Employee Expenses   | 4A   | (268,975)        | (223,715)        |
| Capitation Fees   | 4B   | (27,221)         | (22,733)         |
| Affiliation Fees  | 4C   | (17,643)         | (2,351)          |
| Administration Expenses   | 4D   | (141,139)        | (122,773)        |
| Grants/Donations  | 4E   |                  |                  |
| Depreciation  | 4F   | (13,883)         | (10,325)         |
| Legal Costs   | 4G   |                  |                  |
| Other Expenses  | 4H   |                  |                  |
| Loss on Sale of Non-Current Asset   | 4I   |                  |                  |
|   |      | <u>(468,860)</u> | <u>(381,897)</u> |
| <b>Surplus for the Year</b>   |      | <u>29,213</u>    | <u>46,454</u>    |
| <b>Other comprehensive income</b>   |      |                  |                  |
| Items that will not be subsequently reclassified to the income or expenditure |      |                  |                  |
| GST and PAYG Adjustments  |      | (6,676)          |                  |
|   |      | <u>\$ 22,537</u> | <u>\$ 46,454</u> |

Health Services Union - SA Branch  
ABN 35 898 865 510

Statement of Financial Position at 30 June 2017

|                                  | Note      | 2017       | 2016       |
|----------------------------------|-----------|------------|------------|
| <b>ASSETS</b>                    |           |            |            |
| <b>Current Assets</b>            |           |            |            |
| Cash and Equivalents             | <b>SA</b> | 419,451    | 397,064    |
| Receivables                      | <b>SB</b> |            |            |
| Other Current Assets             | <b>SC</b> | 13,072     | 28,570     |
| <b>Total Current Assets</b>      |           | 432,523    | 425,634    |
| <b>Non-Current Assets</b>        |           |            |            |
| Plant And Equipment              | <b>6B</b> | 50,015     | 28,317     |
| <b>Total Non-Current Assets</b>  |           | 50,015     | 28,317     |
| <b>Total Assets</b>              |           | 482,538    | 453,951    |
| <b>LIABILITIES</b>               |           |            |            |
| <b>Less: Current Liabilities</b> |           |            |            |
| Trade Payables                   | <b>7A</b> | 6,583      | 9,082      |
| Other Payables                   | <b>7B</b> | 76,957     | 58,284     |
| Employee Provisions              | <b>SA</b> | 50,496     | 72,419     |
| <b>Total Current Liabilities</b> |           | 134,036    | 139,785    |
| <b>Non-Current Liabilities</b>   |           |            |            |
| Employee Provisions              | <b>SA</b> | 84,163     | 72,364     |
| <b>Total Liabilities</b>         |           | 218,199    | 212,149    |
| <b>Net Assets</b>                |           | \$ 264,339 | \$ 241,802 |
| <b>EQUITY</b>                    |           |            |            |
| Accumulated Surplus              |           | \$ 264,339 | \$ 241,802 |

Health Services Union - SA Branch  
ABN 35 898 865 510

Statement of Change in Equity as at 30 June 2017

|                                     | 2017                        | 2016                     |
|-------------------------------------|-----------------------------|--------------------------|
| Balance at 1 July 2016 - Unadjusted | 241,802                     | 258,742                  |
| Superannuation not Accrued          |                             | (8,365)                  |
| Administration not Accrued          |                             | (2,716)                  |
| Audit and Accountancy not Accrued   |                             | (14,200)                 |
| Prepaid Subscriptions not Recorded  | <u>                    </u> | <u>(38,113)</u>          |
| Balance at 1 July 2016 - Adjusted   | 241,802                     | 195,348                  |
| Surplus for the year                | <u>22,537</u>               | <u>46,454</u>            |
| <b>Balance at 30 June 2017</b>      | <b><u>\$ 264,339</u></b>    | <b><u>\$ 241,802</u></b> |

Health Services Union - SA Branch  
ABN 35 898 865 510

Statement of Cash Flows for the Year Ended 30 June 2017

|   | 2017              | 2016              |
|---|-------------------|-------------------|
| <b>Cash Flows from Operating Activities</b> |                   |                   |
| Recovery of Wages Activity                  |                   |                   |
| Receipts from Members                       | 458,096           | 402,741           |
| Interest Received                           | 4,277             | 4,195             |
| Grant                                       | 50,000            |                   |
| Sundry Income                               | 541               |                   |
| Receipts from Associated_ Entity            |                   |                   |
| - Health Services Union                     |                   |                   |
| Payments to Employees                       | (242,461)         | (208,276)         |
| Payments to Suppliers                       | (179,247)         | (168,649)         |
| Payments to Associated Entities             |                   |                   |
| - Health Services Union                     | (27,221)          | (22,733)          |
| -ALP  | (6,901)           | (298)             |
| - Unions SA                                 | (3,571)           | (2,053)           |
| -ACTU                                       | (7,171)           |                   |
| <b>Net Cash from Operations</b>             | <u>46,343</u>     | <u>4,927</u>      |
| <b>Cash Flows from Investing Activities</b> |                   |                   |
| Acquisition of Plant & Equipment            | (35,578)          | (1,362)           |
| Disposal of Plant & Equipment               |                   |                   |
| <b>Net Cash from Investing</b>              | <u>(35,578)</u>   | <u>(1,362)</u>    |
| Increase in Cash                            | 10,765            | 3,565             |
| Cash at 1 July 2015                         | 397,064           | 393,499           |
| <b>Cash at 30 June 2016</b>                 | <u>\$ 407,829</u> | <u>\$ 397,064</u> |

Reconciliation of surplus to net cash from Operating Activities

|                                      |                  |                 |
|--------------------------------------|------------------|-----------------|
| Operating Surplus                    | 22,537           | 46,454          |
| Non-Cash Items                       |                  |                 |
| Depreciation                         | 13,883           | 10,325          |
| Employee Entitlements Provision      | (10,124)         | 21,179          |
| <b>Changes in assets/liabilities</b> |                  |                 |
| Adjusted Accumulated Surplus         |                  | (63,394)        |
| Decrease in Prepayments              | 15,494           | (16,278)        |
| Increase in Payables                 | <u>4,553</u>     | <u>6,641</u>    |
|                                      | <u>\$ 46,343</u> | <u>\$ 4,927</u> |

Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017

**Note 1.1 Basis of Preparation**

The financial report is a general purpose financial report 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*. The Health Services Union - SA Branch (HSUSA) is a not for profit entity.

The financial report has been prepared on an accrual basis in accordance with historical cost. Historical cost is generally based on the consideration except for certain assets and liabilities measured at fair value as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the assets. Except where stated otherwise, no allowance is made for the effect of changing prices on the results or the financial position of the union. The currency is Australian dollars.

**1.2 Comparatives Amounts**

When required by Accounting assumptions or estimates have been adjusted to conform to changes in presentation for the current financial year.

**1.3 Significant Accounting Judgements and Estimates**

No accounting judgements or estimates have been identified that would risk causing a material adjustment to the carrying amounts of assets and liabilities within the next accounting period.

**1.4 New Australian Accounting Standards**

The policies are consistent with those of the previous financial year except for those that came into effect this year. The following standards came into effect in the 2017 financial AASB 2014-4 *Amendments to Australian Accounting Standards - Clarification of Acceptable Methods of Depreciation and Amortisation* clarifying AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets*

AASB 2014-9 *Amendments to Australian Accounting Standards - Equity method in Separate Financial Statements* amends AASB 127 *Separate Financial Statements*

AASB 2015-1 *Amendments to Australian Accounting Standards - Annual Improvements to Australian Accounting Standards 2012-2014 Cycle* clarify certain requirements in AASB 5 *Non-current Assets and Discontinued Operations*, AASB 7 *Financial Instruments* disclosure servicing contracts AASB 119 *Employee Benefits - regional market issue* and AASB *Interim Financial Reporting - disclosure of information elsewhere*.

AASB 2015-2 *Amendments to Australian Accounting Standards Disclosure Initiative: Amendments to AASB 101 Presentation of Financial Statements*.

Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017

*AASB 2015-5 Amendments to Australian Accounting Standards - Investments Entities: Applying the Consolidation Exception* amends AASB 10 *Consolidated Financial Statements*, AASB 12 *Disclosure in Interests in Other Entities* and AASB 128 *Investments in Associates and Joint Ventures* clarify the consolidation exception.

These standards either did not apply to the financial report or had no impact on it

#### 1.5 Stand Alone Entity

HSUSA is a stand alone entity with no investments in associates, joint arrangements, business combinations or amalgamations.

#### 1.6 Revenue

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

Subscriptions are accounted for on an accrual basis and recognised in the period to which they relate. The vast majority of subscriptions are paid via payroll deduction or periodic payments by direct debit or credit card charge. Invoices are generally not issued and there is no obligation on the part of the member to renew their membership. Members who are not financial cannot vote or partake in the benefits of being a member.

Interest is recognised on an accrual basis.

#### 1.7 Government Grants

The Union received a grant as compensation for additional wages incurred and this has been recognised through the Statement of Comprehensive Income as it was fully expended in the period that it was received.

#### 1.8 Capitation Fees

Capitation fees are recognised on an accrual basis and recorded as an expense in the year to which it relates.

#### 1.9 Employee Benefits

Employee benefits in respect of wages and salaries, annual leave, long service leave and termination of employment are accrued when it is probable that payment will be required and the amount can be measured reliably.

Short term benefits (as defined in AASB 119 *Employee Benefits*) that are expected to be settled within twelve months of the end of the reporting period are measured at their nominal amount, calculated using rates expected to be paid on settlement of the liability.

Long term employee benefits expected to be paid after twelve months apply present values in respect of entitlements up to the reporting date because the actual payment date is unknown and the liability is recorded at balance date.

Superannuation payments to defined benefit plans are recognised when the employee has rendered services entitling them to the contribution.

Payments to defined contribution benefit plans are recognised as an expense when employees have rendered service entitling them to have contributions made on their behalf.

Provision is made for separation and redundancy benefits. The Union recognises a provision for termination as part of a broader strategy when it has developed a detailed formal plan for the terminations and has informed affected employees that the terminations will occur. A provision for voluntary terminations recognised when the employee has accepted the offer of termination.

**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

**1.10 Cash**

Cash is recognised at face value and includes cash on hand, at call bank deposits, other short term (90 day) highly liquid investments that are readily convertible to known cash values And are subject to insignificant changes in value..

**1.11 Financial Liabilities**

Trade and other payables are initially recognised at cash value when the Union becomes a party to the contractual provisions of the transaction. There are no long term financial liabilities other than Employee Benefits, which may be paid after twelve months and are referred to above.

**1.12 Financial Assets**

Financial assets are classified as 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 recognition. All regular purchases and sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. are recognised and derecognised on trade date.

The only financial assets held by the Union are Cash and Loans and Receivables.

**Loans and Receivables**

Trade, loans and other receivables that have fixed or detenninable payments that are not quoted in an active market are measured at amortised cost using the effective interest method less impairment. Interest is not applied to short term receivables as it is considered immaterial.

**Impairment of Financial Assets**

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of the reporting period. Impairment is considered to have occurred when there is objective evidence that events that occurred after recognition of the financial asset have reduced the estimated future cash flow of the asset.

For certain assets such as Trade Receivables impairment is assessed on both an individual and collective basis. Objective evidence may include past experience such as an increase in overdue payments as well as changes in economic conditions that correlate with defaults in payment.

Impairment of receivables will be recognised through the use of an allowance account. If a receivable is considered uncollectable, it is written off against the allowance **account. Subsequent recoveries are written back against the allowance account, while** changes to the carrying amount are recognised in the Operating Statement.

**1.14 Contingencies**

The Committee of Management is not aware of any contingencies at balance date.

**1.15 Plant and Equipment**

Acquisitions are recognised initially at cost in the Statement of Financial Position. Where applicable an estimate of the cost of dismantling and removing the item and restoring the site will be included.

**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

**Depreciation**

Depreciable assets are written off over their estimated useful life using the straight line method. Rates and residual values are reviewed at reporting date and adjusted where necessary in the relevant and future reporting periods. Current rates for plant and equipment are based on a useful life of 10 years.

**Derecognition**

Any gain or loss on disposal or scrapping of an item is determined as the difference between any sale proceeds and the carrying value of the asset and is recognised in the operating statement.

**1.16 Impairment - Non Current Assets**

HSUSA's non-current assets are not primarily dependent on their ability to generate future cash flows and they would be replaced if usage was no longer available. Under those circumstances, the value is taken to be equal to its depreciated cost.

**1.17 Taxation**

HSUSA is exempt from income tax under S50.1 of the Income Tax Assessment Act 1997 however still has obligations for FBT and GST.

Revenue and expenditure are recognised net of GST unless:  
the GST is not recoverable from the Australian Taxation Office; and  
the GST is included in the balance of receivables and payables.

Cash flows in the cash flow statement are gross of GST. GST arising from investing and financing activities which is recoverable from or payable to the ATO is classified within the statement.

The Secretary receives non-cash benefits that are below the reportable threshold for FBT established by the ATO. These benefits are disclosed separately in this financial report in the notes for Employee Benefits, but do not use the grossed up method used by the ATO, but are calculated on an estimated value basis.

**1.18 Going Concern**

HSUSA is not reliant on financial support of another reporting unit to continue as a going concern and has not agree to provide financial support to another reporting unit **to ensure they can continue as a going concern.**

**Note2** Events After Balance Date

The Committee of Management are not aware of any events that occurred after 30 June 2017, and prior to the signing of the financial statements that would affect the ongoing structure and financial activities of HSUSA.

|               |                         |        |       |
|---------------|-------------------------|--------|-------|
| <b>Note3</b>  | <b>Income</b>           | 2017   | 2016  |
| <b>Note3A</b> | <b>Capitation Fees</b>  |        |       |
| <b>Note3B</b> | <b>Levies</b>           |        |       |
| <b>Note3C</b> | <b>Interest</b>         |        |       |
|               | Bank                    | 4,277  | 4,195 |
|               |                         |        |       |
| <b>Note3E</b> | <b>Grants/Donations</b> |        |       |
|               | Grant                   | 50,000 |       |
|               |                         |        |       |



Health Services Union - SA Branch  
ABN 35 898 865 510

**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

| <b>Note4</b>  | <b>Expenses</b>                             | 2,017          | <b>2,016</b>   |
|---------------|---|----------------|----------------|
| <b>Note4A</b> | <b>Employee Expenses</b>                    |                |                |
|               | <b>Office holders</b>                       |                |                |
|               | Wages and salaries                          | 91,209         | 99,669         |
|               | Superannuation                              | 9,116          | 10,622         |
|               | Leave and other entitlements                | 6,186          |                |
|               | Separation & redundancies                   |                |                |
|               | Other                                       |                | 15,438         |
|               | <b>Office holders employee expenses</b>     | <u>106,511</u> | <u>125,729</u> |
|               | <b>Non office holders</b>                   |                |                |
|               | Wages and salaries                          | 129,721        | 77,013         |
|               | Superannuation                              | 17,398         | 9,469          |
|               | Leave and other entitlements                | 15,345         | 11,504         |
|               | Separation & redundancies                   |                |                |
|               | Other                                       |                |                |
|               | <b>Non office holders employee expenses</b> | <u>162,464</u> | <u>97,986</u>  |
|               | <b>Total employee expenses</b>              | <u>268,975</u> | <u>223,715</u> |
| <b>Note4B</b> | <b>Capitation Fees</b>                      |                |                |
|               | HSU   | <u>27,221</u>  | <u>22,733</u>  |
| <b>Note4C</b> | <b>Affiliation Fees</b>                     |                |                |
|               | -ALP  | 6,901          | 298            |
|               | -ACTU                                       | 7,171          |                |
|               | -SA Unions                                  | 3,571          | 2,053          |
|               | <b>Total Affiliation Fees</b>               | <u>17,643</u>  | <u>2,351</u>   |
| <b>Note4D</b> | <b>Administration Expenses</b>              |                |                |
|               | Allowances - meeting and conferences        |                |                |
|               | Compulsory levies                           |                |                |
|               | Consideration for payroll deductions        |                |                |
|               | Advertising                                 | 1,063          |                |
|               | Audit fees                                  | 5,500          | 4,700          |
|               | Contract data processing                    | 6,000          | 6,252          |
|               | Contracting related party                   | 13,555         | 9,220          |
|               | Information communications technology       | 13,142         | 13,465         |
|               | <b>Insurance</b>                            | 28,600         | 19,792         |
|               | Meetings expenses                           | 2,859          | 1,676          |
|               | Motor vehicle expenses                      | 19,671         | 14,242         |
|               | Office expenses                             | 4,562          | 5,791          |
|               | Carried forward                             | <u>94,953</u>  | <u>75,138</u>  |

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**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

|  | <b>2017</b>    | <b>2016</b>    |
|--|----------------|----------------|
| Brought forward                          | 94,953         | 75,138         |
| Other                                    | 6,633          | 9,591          |
| Postage, Printing & Stationery           | 3,657          | 5,791          |
| Property expenses                        | 21,953         | 18,907         |
| Telephone                                | 3,770          | 6,167          |
| Travel                                   | 8,885          | 7,179          |
| Workcover                                | 1,287          |                |
| <b>Total administration expenses</b>     | <b>141,139</b> | <b>122,773</b> |
| <hr/>                                    |                |                |
| <b>Note 4E Grants /Donations</b>         |                |                |
| <hr/>                                    |                |                |
| <b>Note 4F Depreciation</b>              |                |                |
| Depreciation plant and equipment         | 13,883         | 10,325         |
| <hr/>                                    |                |                |
| Note 4H Legal Costs                      |                |                |
| Other matters                            |                |                |
| <hr/>                                    |                |                |
| Note 4I Loss on Sale of Asset            |                |                |
| Plant and equipment                      |                |                |
| <hr/>                                    |                |                |
| <b>Note 4J Other Expenses</b>            |                |                |
| Penalties - RO Act or Regulations        |                |                |
| <hr/>                                    |                |                |
| <b>Note 5 Current Assets</b>             |                |                |
| <hr/>                                    |                |                |
| <b>Note 5A Cash and Equivalents</b>      |                |                |
| Cash at bank                             | 417,449        | 395,062        |
| Cash on hand                             |                |                |
| Short term deposits                      | 2,000          | 2,000          |
| Other                                    | 2              | 2              |
| <b>Total cash and equivalents</b>        | <b>419,451</b> | <b>397,064</b> |
| <hr/>                                    |                |                |
| <b>Note 5B Receivables</b>               |                |                |
| Receivables from other reporting units   |                |                |
| <b>Less provision for doubtful debts</b> |                |                |
| Receivables from other reporting units   |                |                |
| <hr/>                                    |                |                |

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**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

|   | 2017            | 2016            |
|---|-----------------|-----------------|
| <b>Note SC Other Current Assets</b>                   |                 |                 |
| Prepayments   |                 |                 |
| Visa  | 843             | 2,173           |
| Amex  |                 | 1,929           |
| <b>Insurance</b>                                      | 12,229          | 17,678          |
| Affiliation Fees Health Services Union                |                 | 5,397           |
| Admin Expenses  |                 | 1,393           |
| <b>Total Other Current Assets</b>                     | 13,072          | 28,570          |
| <br><b>Note6 Non-Current Assets</b>                   |                 |                 |
| <br><b>Note 6B Plant and Equipment Reconciliation</b> |                 |                 |
| Book Value 1 July 2016                                | 77,513          | 76,151          |
| Accumulated Depreciation                              | <u>(49,196)</u> | <u>(38,871)</u> |
| Net book value 1 July 2016                            | 28,317          | 37,280          |
| Asset Purchases                                       | 35,578          | 1,363           |
| Asset Sale  |                 |                 |
| Depreciation  |                 | <u>(10,326)</u> |
| Net book value 30 June 2017                           | 63,895          | 28,317          |
| represented by  |                 |                 |
| Book Value 30 June 2017                               | 113,091         | 77,513          |
| Accumulated Depreciation                              | <u>(63,076)</u> | <u>(49,196)</u> |
| Net book value 30 June 2017                           | 50,015          | 28,317          |
| <br><b>Note 7 Current Liabilities</b>                 |                 |                 |
| <br><b>Note 7 A Trade Payables</b>                    |                 |                 |
| Trade Creditors and Accruals                          | 6,583           | 9,082           |
| Payables to other reporting units                     |                 |                 |
| HSU   |                 |                 |
| <b>Total trade payables</b>                           | 6,583           | 9,082           |
| <br><b>Note 7 B Other payables</b>                    |                 |                 |
| Superannuation  | 8,361           | 18,654          |
| Payroll deductions                                    |                 |                 |
| Legal costs   |                 |                 |
| Amex  | 2,147           |                 |
| GST   | 7,380           | 5,343           |
| Unearned Subscriptions                                | 45,540          | 16,698          |
| Reimbursements  | (520)           | (521)           |
| ABN Withholding                                       | 1,347           | 4,728           |
| Wages and salaries - PAYG                             | 10,910          | 13,382          |
| Workcover   | 1,793           |                 |
| <b>Total Other Payables</b>                           | 76,957          | 58,284          |

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**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

| <b>Notes</b>    | <b>Provisions</b>                                     | <b>2017</b> | <b>2016</b> |
|-----------------|---|-------------|-------------|
| <b>Note SA</b>  | <b>Employee Provisions</b>                            |             |             |
|                 | <b>Office Holder</b>                                  |             |             |
|                 | Annual leave includes loading                         | 45,115      | 54,335      |
|                 | Long service leave                                    | 72,936      | 72,364      |
|                 | Separations and redundancies                          |             |             |
|                 | Back pay  |             | 13,000      |
|                 | <b>Office holder's provisions</b>                     | 118,051     | 139,699     |
|                 | <b>Non office holder</b>                              |             |             |
|                 | Annual leave includes loading                         | 5,381       | 5,084       |
|                 | Long service leave                                    | 11,227      |             |
|                 | Separations and redundancies                          |             |             |
|                 | <b>Non office holder provisions</b>                   | 16,608      | 5,084       |
|                 | <b>Total employee provisions</b>                      | 134,659     | 144,783     |
|                 | <b>Current</b>  | 50,496      | 72,419      |
|                 | Non Current   | 84,163      | 72,364      |
|                 | <b>Total employee provisions</b>                      | 134,659     | 144,783     |
| <b>Note9</b>    | <b>Equity</b>   |             |             |
| <b>Note9A</b>   | <b>Other Specific Disclosures - Funds</b>             |             |             |
|                 | <b>Compulsory levy/voluntary</b>                      |             |             |
|                 | <b>Balance at start of year</b>                       |             |             |
|                 | <b>Balance at end of year</b>                         |             |             |
| <b>Note 10</b>  | <b>Cash Flow</b>                                      |             |             |
| <b>Note10A</b>  | <b>Cash Flow Reconciliation</b>                       |             |             |
|                 | <b>Reconciliation of Cash and Equivalents to Cash</b> |             |             |
|                 | <b>Flow Statement</b>                                 |             |             |
|                 | Cash Flow Statement                                   | 419,451     | 397,064     |
|                 | Statement of Financial Position                       | 419,451     | 397,064     |
|                 | <b>Difference</b>                                     |             |             |
| <b>Note 10B</b> | <b>Cash Flow Information</b>                          |             |             |
|                 | Cash inflows  |             |             |
|                 | HSU   |             |             |
|                 | <b>Total inflows</b>                                  |             |             |
|                 | Cash outflows   |             |             |
|                 | HSU   | 27,221      | 22,733      |
|                 | <b>Total Outflows</b>                                 | 27,221      | 22,733      |

**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

|          |                                       |               |               |
|----------|---------------------------------------|---------------|---------------|
| Note 11  | Related Party Disclosures             | 2017          | 2016          |
|          |                                       |               |               |
| Note 11A | Transactions for the Reporting Period |               |               |
|          | Revenue received from related party   |               |               |
|          | Expenses paid to related parties      |               |               |
|          | HSU - Capitation Fees                 | 27,221        | 22,733        |
|          |                                       | <u>27,221</u> | <u>22,733</u> |
|          | Amounts owed by related parties       |               |               |
|          | Amounts owed to related parties       |               |               |

There are no loans with related parties and no asset transfers took place during the reporting period.

**Commercial basis of related party transactions**

Transactions with related parties are on arm's length commercial terms. Unpaid amounts are unsecured and interest free until settled. No guarantees of payment have been provided. At 30 June 2017 HSUSA does not consider there is any impairment to receivables (2016 Nil) from related parties or declared persons or bodies.

**Note 11B Key Management Personnel Remuneration for the Reporting Period**

**Short term benefits**

|                                       |                |                |
|---------------------------------------|----------------|----------------|
| Salary (including annual leave taken) | 97,395         | 99,669         |
| Annual leave accrued                  | 6,683          | 9,766          |
| Vehicle benefit- estimated value      | 3,557          | 3,185          |
| <b>Total short term benefits</b>      | <u>107,635</u> | <u>112,620</u> |

**Employer contribution to post employment benefits**

|                                       |              |               |
|---------------------------------------|--------------|---------------|
| Superannuation                        | 9,116        | 10,622        |
| <b>Total Post Employment benefits</b> | <u>9,116</u> | <u>10,622</u> |

**Other long term benefits**

|                                 |               |               |
|---------------------------------|---------------|---------------|
| Long service leave entitlement  | 72,936        | 72,363        |
| <b>Total long term benefits</b> | <u>82,052</u> | <u>82,985</u> |

**Termination benefits**

|              |                |                |
|--------------|----------------|----------------|
| <b>Total</b> | <u>198,802</u> | <u>206,227</u> |
|--------------|----------------|----------------|

**Note 11C Transactions with close family member of key management personnel**

**Other transactions**

|  |               |              |
|--|---------------|--------------|
| Juanita Navas - daughter of the secretary<br>Contract clerical and administrative work at an hourly<br>rate. | 13,555        | 9,220        |
|  | <u>13,555</u> | <u>9,220</u> |

**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

|               |                                    |             |             |
|---------------|------------------------------------|-------------|-------------|
| <b>Note12</b> | <b>Remuneration of Auditors</b>    | <b>2017</b> | <b>2016</b> |
|               | <b>Services provided</b>           |             |             |
|               | Financial statement audit services | 5,000       | 4,700       |
|               | Other services                     | 500         |             |
|               | <b>Total remuneration</b>          | 5,500       | 4,700       |

**Note13 Financial Instruments**

**Credit Risk**

Exposure to credit risk from financial assets comes from the potential non-performance by parties to contractual obligations that could lead to financial loss for the union.

Credit risk is managed through maintaining control over approval, granting, monitoring and removing credit limits using best endeavours to ensure sound credit worthiness of parties to transactions.

The maximum exposure to credit risk at the end of the reporting period is equivalent to the carrying amount as presented in the statement of financial position.

No collateral is held by the union securing amounts owed to the union.

The union has no significant concentrations of credit risk with any single or group of parties.

**Liquidity Risk**

Liquidity risk occurs when the union encounters difficulty in settling its debts or otherwise meeting financial obligations. The union manages this risk by only investing surplus cash with major financial institutions and minimising the level of accounts receivable.

**Note 13A Categories of Financial Instruments**

**Financial Assets**

|                                     |         |         |
|-------------------------------------|---------|---------|
| Cash                                | 419,451 | 397,064 |
| Carrying amount of financial assets | 419,451 | 397,064 |

**Financial Liabilities**

|              |        |        |
|--------------|--------|--------|
| Payables     | 83,540 | 67,366 |
| <b>Total</b> | 83,540 | 67,366 |

Other financial liabilities

|                       |         |         |
|-----------------------|---------|---------|
| Employee entitlements | 134,659 | 144,783 |
| <b>Total</b>          | 134,659 | 144,783 |

|  |         |         |
|--|---------|---------|
| Carrying amount of financial liabilities | 218,199 | 212,149 |
|--|---------|---------|

**Note 13B Net income and expense from financial assets**

|                                |       |       |
|--------------------------------|-------|-------|
| Carrying amount and fair value |       |       |
| <b>Interest revenue</b>        | 4,277 | 4,195 |
| <b>Total</b>                   | 4,277 | 4,195 |

Carrying amount and fair value

Interest expense

Total

**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

Note 13C Credit Risk

The union's maximum exposure to credit risk at balance date is represented by the carrying amount of those assets as indicated in the statement of financial position.

The following table shows the gross exposure to credit risk of the union at balance date. There was no collateral held as security or credit enhancements relating to any financial assets at balance date.

|   | 2017    | 2016    |
|---|---------|---------|
| <b>Financial Assets</b>   |         |         |
| Cash  | 419,451 | 397,064 |
|   | 419,451 | 397,064 |
| <b>Financial Liabilities</b>  |         |         |
| Payables  | 83,540  | 67,366  |
| Other financial liabilities   | 134,659 | 144,783 |
| <b>Total</b>  | 218,199 | 212,149 |
| <br><b>Credit quality of financial instruments current and unimpaired</b> |         |         |
| Cash current and unimpaired   | 419,451 | 397,064 |
| Financial instruments overdue or impaired                                 | -       | -       |
|   | 419,451 | 397,064 |

Note 13E Liquidity Risk

The union operates under a policy of settling financial obligations within 30 days or in the case of a dispute within 30 days of resolution. The union's exposure to liquidity risk is deemed insignificant based on historical data and current assessment. Maximum exposure is the carrying amount of financial liabilities.

All financial liabilities have a maturity timeline of less than 1 year.

|       |         |         |
|-------|---------|---------|
| Total | 218,199 | 212,149 |
|-------|---------|---------|

Note 13F Market Risk

The entity is exposed to interest rate risk, however with no borrowings and interest rates at historic lows and no sign of any significant change in the foreseeable future, any change in interest rates is unlikely to impact significantly on operations.

Note 14 Fair Value Measurement

Management has assessed that cash and equivalents, payables and other current liabilities equate to their carrying value because of the short term nature of these arrangements.

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections 91) to (3) of section 272, which says:

(i) A member or General Manager may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

**Notes to and Forming Part of the Financial Report for the Year Ended 30 June 2017**

(ii) The application must be in writing and must specify the period and manner in which the information is to be made available. The period must not be less than fourteen (14) days after the application is given to the reporting unit.

(iii) A reporting unit must comply with an application made under this section.

**Note 16 Disclosures Required Under Rules 85-88**

**Remuneration and Non-Cash Benefits for Officers during the year ended 30 June**

No remuneration was paid for an officer because of membership of, or a position on a board or committee or holding an office of the Union nor was any nominated, proposed, recommended or suggested for membership of, or position on the Board by the Union, Branch or a peak council or any related party of the Union, in connection with the performance of that person's duties as an officer.

**Remuneration of Highest Paid Officer**

| Office                    | Officer     | Type                         | Cash or Benefit | Amount |
|---------------------------|-------------|------------------------------|-----------------|--------|
| Branch Secretary          | Jorge Navas | Wages                        | Cash            | 97,395 |
| Member National Executive |             | Superannuation               | Cash            | 9,116  |
| National Councillor       |             | Private Use of Motor Vehicle | Benefit         | 3,557  |

**Material Personal Interests during the year ended 30 June 2017**

| Office                    | Officer     | Details of Material Personal Interest   |
|---------------------------|-------------|---|
| Branch Secretary          | Jorge Navas | Mr <b>Navas'</b> daughter provides clerical support on an occasional and casual basis for the SA Branch when workload demands and is paid for her services on an hourly rate. |
| Member National Executive |             |   |
| National Councillor       |             |   |

**Disclosure of Payments during the year ended 30 June 2017**

No payments were made to a related party of the Union or branch of the Union or a declared person or party of the Union that has not been disclosed in the Financial Report.