

Health Services Union NSW Branch

ABN 93 728 534 595

Financial Statements

For the year ended 30 June 2021

Health Services Union NSW Branch

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30 June 2021

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**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**

s.268 Fair Work (Registered Organisations) Act 2009
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER
FOR THE YEAR END 30 JUNE 2021**

I, Lynne Russell being the Assistant Secretary/Treasurer of the Health Services Union NSW Branch certify:

- that the documents lodged herewith are copies of the full report for the Health Services Union NSW Branch for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009;
- that the full report was provided to members of the reporting unit on 7 September 2021: and
- that the full report was presented to a meeting of the Branch Council of the reporting unit on 31 August 2021 (first meeting) and again on 3 December 2021 (second meeting) in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of designated officer:

Name of designated officer:

Lynne Russell

Title of designated officer:

Assistant Secretary/ Treasurer

Dated:

**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2021**

The Branch Council presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2021.

Categories of expenditures	2021 \$	2020 \$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	587,938	493,011
Donations to political parties	-	-
Legal costs	-	-

Signature of designated officer:

Lynne Russell

Name of designated officer:

Lynne Russell

Title of designated officer:

Assistant Secretary/ Treasurer

Dated:

31 August 2021

**Health Services Union NSW Branch
Operating report
30 June 2021**

The Branch Council presents its operating report on Health Services Branch NSW Branch for the financial year ended 30 June 2021.

Committee members

The following persons were Officers of Health Services Union NSW Branch during all or part of the year ending at 30 June 2021:

Name	Position	Status
Mark Sterrey	Branch President	Re-elected 16 July 2018
Lindy Twyford	Branch Senior Vice President	Elected 16 July 2018
Steven Fraser	Branch Junior Vice President	Elected 16 July 2018
	Member of Audit & Finance Committee	
Gerard Hayes	Branch Secretary	Re-elected 16 July 2018
Lynne Russell	Branch Assistant Secretary/Treasurer	Elected 3 October 2018
Kim Hadson	Ordinary Member of Branch Committee	Elected 16 July 2018
Laycombe Reilly	Ordinary Member of Branch Committee	Elected 28 March 2019
	Member of Branch Council (Health Managers)	
Thelma Thames	Ordinary Member of Branch Committee	Elected 16 July 2018
Melissa Todhunter	Ordinary Member of Branch Committee	Elected 16 July 2018
Doris Borg	Ordinary Member of Branch Committee	Appointed 24 November 2020
Michael Callinan	Member of Branch Council (Ambulance)	Elected 16 July 2018
	Member of Audit & Finance Committee	
Joan Catlin	Member of Branch Council (Southern NSW LHD)	Re-elected 16 July 2018
	Member of Audit & Finance Committee	
Darriea Turley	Member of Branch Council (FAR West LHD)	Re-elected 16 July 2018
	Member of Audit & Finance Committee	
Toni Winters	Member of Branch Council (Mid North Coast LHD)	Elected 16 July 2018
	Member of Audit & Finance Committee	
Robert Aney	Member of Branch Council (Sydney LHD)	Elected 16 July 2018
Graeme Baillie	Member of Branch Council (Murrumbidgee LHD)	Elected 16 July 2018
Bryan Billington	Member of Branch Council (Western NSW LHD)	Elected 16 July 2018
Sharon Carney	Member of Branch Council (Southern NSW LHD)	Re-elected 16 July 2018
Leesa Franks	Member of Branch Council (South Eastern Sydney LHD)	Resigned 3 February 2021
Edalina Hondros	Member of Branch Council (South Western LHD)	Elected 16 July 2018
Jeffrey Knee	Member of Branch Council (Hunter New England LHD)	Re-elected 16 July 2018
John Lawrence	Member of Branch Council (Western Sydney LHD)	Re-elected 16 July 2018
Suzanne McGuire	Member of Branch Council (Central Coast LHD)	Elected 16 July 2018
William Oddie	Member of Branch Council (Northern NSW LHD)	Re-elected 16 July 2018
Josephine Peacock	Member of Branch Council (Aged Care)	Re-elected 16 July 2018
Gillian Kay-Powers	Member of Branch Council (Illawarra-Shoalhaven LHD)	Re-elected 16 July 2018
Donna Riley	Member of Branch Council (Hunter New England LHD)	Elected 16 July 2018
Nabanita Roy	Member of Branch Council (Eastern Sydney LHD)	Appointed 23 February 2021 Resigned 11 June 2021
Bruce Rowling	Member of Branch Council (Northern Sydney LHD)	Re-elected 16 July 2018
Andrew Teece	Member of Branch Council (Nepean Blue Mountains LHD)	Elected 16 July 2018
Leigh Bush	Member of Branch Council (ACT)	Re-elected 16 July 2018

**Health Services Union NSW Branch
Operating report
30 June 2021**

Principal activities

The principal activity of Health Services Union NSW Branch during the financial year was that of a registered trade union. No significant change occurred in the nature of those activities during the period.

Significant changes in financial affairs

No significant change to the financial affairs occurred during the year.

Right of members to resign

Subject to the rules of the organisation and Section 174 of the Fair Work (Registered Organisations) Act 2009, members have the rights to resign from membership of the organisation by written notice addressed to and delivered to the secretary of the organisation.

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

There were no officers or employees that were a superannuation fund trustee or a director of a company that is a superannuation fund trustee.

Number of members

The number of persons that were at the end of the year recorded in the register of members of Section 230 of the Fair Work (Registered Organisations) Act 2009 and who were taken to be members of the registered organisation under Section 244 of the Fair Work (Registered Organisations) Act 2009 was 46,812 (2020: 44,666).

Number of employees

The number of persons who were at the end of the financial period employees of the organisation including both full and part-time employees measured on a full-time equivalent basis was 106 (2020: 110). Employees hold joint positions with the Health Services Union NSW (HSU NSW) a Union registered under the Industrial Relations Act 1996 (NSW), and by agreement between the Branch and the HSU NSW salary and conditions of employment are provided by the HSU NSW.

Signature of designated officer:



Name of designated officer:

Lynne Russell

Title of designated officer:

Assistant Secretary/ Treasurer

Dated:

31 August 2021

**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

On 31 August 2021 the Branch Council of Health Services Union NSW Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2021:

The Branch Council 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 financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d). there are reasonable grounds to believe that the reporting unit 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 Branch Council and Branch Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii). the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii). the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv). where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v). where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
 - (vi). where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the Branch Council.

Signature of designated officer:

Lynne Russell

Name of designated officer:

Lynne Russell

Title of designated officer:

Assistant Secretary/ Treasurer

Dated:

31 August 2021

Health Services Union NSW Branch
Statement of profit or loss and other comprehensive income
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Revenue			
Membership subscriptions		802,250	604,341
Capitation fees and other revenue from another reporting unit	3	-	-
Levies	4	-	-
Interest	5	45	48
Grants and donations	6	-	-
Expenses			
Employee expenses	7	-	-
Capitation fees and other expense to another reporting unit	8	(21,947)	(23,319)
Affiliation fees	9	(13,628)	(13,012)
Administration expenses	10	-	-
Finance costs	11	(16,563)	(13,454)
Service fee	22	(520,000)	(400,000)
Audit fees		(15,800)	(16,700)
Rent and outgoings		-	(10,262)
Travel expenditure		-	(16,264)
		<hr/>	<hr/>
Surplus for the year		214,357	111,378
Other comprehensive income for the year		<hr/>	<hr/>
		-	-
Total comprehensive income for the year		<hr/> <hr/>	<hr/> <hr/>
		214,357	111,378

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

**Health Services Union NSW Branch
Statement of financial position
As at 30 June 2021**

	Note	2021 \$	2020 \$
Assets			
Current assets			
Cash and cash equivalents	12	538,762	330,025
Other assets	14	21,007	14,266
Total current assets		<u>559,769</u>	<u>344,291</u>
Total assets		<u>559,769</u>	<u>344,291</u>
Liabilities			
Current liabilities			
Trade and other payables	15	33,820	32,699
Total current liabilities		<u>33,820</u>	<u>32,699</u>
Total liabilities		<u>33,820</u>	<u>32,699</u>
Net assets		<u>525,949</u>	<u>311,592</u>
Equity			
Retained earnings	19	525,949	311,592
Total equity		<u>525,949</u>	<u>311,592</u>

The above statement of financial position should be read in conjunction with the accompanying notes

**Health Services Union NSW Branch
Statement of changes in equity
For the year ended 30 June 2021**

	Retained earnings \$	Total equity \$
Balance at 1 July 2019	200,214	200,214
Surplus for the year	111,378	111,378
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>111,378</u>	<u>111,378</u>
Balance at 30 June 2020	<u>311,592</u>	<u>311,592</u>
	Retained earnings \$	Total equity \$
Balance at 1 July 2020	311,592	311,592
Surplus for the year	214,357	214,357
Other comprehensive income for the year	-	-
Total comprehensive income for the year	<u>214,357</u>	<u>214,357</u>
Balance at 30 June 2021	<u>525,949</u>	<u>525,949</u>

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

Health Services Union NSW Branch
Statement of cash flows
For the year ended 30 June 2021

	Note	2021 \$	2020 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		885,413	664,775
Payments to suppliers and employees (inclusive of GST)		(660,158)	(48,211)
Receipt from other reporting units		-	1,136,044
Payments to other reporting units		-	(1,627,775)
		<u>225,255</u>	<u>124,833</u>
Interest received		45	48
Interest and other finance costs paid		(16,563)	(11,313)
		<u>208,737</u>	<u>113,568</u>
Net cash from operating activities	20	<u>208,737</u>	<u>113,568</u>
Net cash from investing activities		<u>-</u>	<u>-</u>
Net cash from financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		208,737	113,568
Cash and cash equivalents at the beginning of the financial year		<u>330,025</u>	<u>216,457</u>
Cash and cash equivalents at the end of the financial year	12	<u><u>538,762</u></u>	<u><u>330,025</u></u>

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

Note 1. Significant accounting policies

The financial report covers Health Services Union NSW Branch as an individual entity. Health Services Union NSW Branch is a not-for-profit Entity, unincorporated and domiciled in Australia. The functional and presentation currency of Health Services Union NSW Branch is Australian dollars.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Branch has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

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 Organisations) Act 2009. For the purpose of preparing the general purpose financial statements, the Health Services Union NSW Branch is a not-for-profit entity.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Revenue recognition

The Branch recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Branch is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Branch: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Sale of goods

Revenue from the sale of goods is recognised at the point in time when the customer obtains control of the goods, which is generally at the time of delivery.

Rendering of services

Revenue from a contract to provide services is recognised over time as the services are rendered based on either a fixed price or an hourly rate.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Note 1. Significant accounting policies (continued)

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Income tax

As the Branch is a tax exempt institution in terms of subsection 50-10 of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Branch's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Branch's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Leases

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

Branch as a lessee

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

Short-term leases and leases of low-value assets

The Branch applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Branch prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on 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; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Health Services Union NSW Branch
Notes to the financial statements
30 June 2021**

Note 1. Significant accounting policies (continued)

Assets and liabilities measured at fair value are classified into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one period to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Going concern

Health Services Union NSW Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Health Services Union NSW Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

New Accounting Standards and Interpretations not yet mandatory or early adopted

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Branch for the annual reporting period ended 30 June 2021. The Branch has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

Note 2. Events after the reporting period

No matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the Branch's operations, the results of those operations, or the Branch's state of affairs in future financial years.

Note 3. Capitation fees and other revenue from another reporting unit

	2021 \$	2020 \$
Capitation fees	-	-
Other revenue from another reporting unit-Health Services Union National Office	-	-
Total capitation fees	<u>-</u>	<u>-</u>

Note 4. Levies

	2021 \$	2020 \$
Levies	<u>-</u>	<u>-</u>

**Health Services Union NSW Branch
Notes to the financial statements
30 June 2021**

Note 5. Interest

	2021 \$	2020 \$
Deposits	45	48

Note 6. Grants and donations

	2021 \$	2020 \$
Grants	-	-
Donations	-	-
Total grants and donations	-	-

Note 7. Employee expenses

Holders of office:

	2021 \$	2020 \$
Wages and salaries	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Superannuation	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	-	-

Employees other than office holders:

	2021 \$	2020 \$
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 8. Capitation fees and other expense to another reporting unit

	2021 \$	2020 \$
Health Services Union National Office	21,947	23,319
Other expense to another reporting unit-Health Services Union National Office	-	-
Total capitation fees	21,947	23,319

Health Services Union NSW Branch
Notes to the financial statements
30 June 2021

Note 9. Affiliation fees

	2021 \$	2020 \$
Affiliation fees - Unions ACT	6,760	5,872
Affiliation fees - ACTU	6,868	7,140
	<hr/>	<hr/>
Total affiliation fees	<u>13,628</u>	<u>13,012</u>

Note 10. Administration expenses

	2021 \$	2020 \$
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Printing and stationery	-	-
Consultants, bookkeeping and labour hire	-	-
Other	-	-
Operating lease rentals:		
- Minimum lease payments	-	-
	<hr/>	<hr/>
Total administration expenses	<u>-</u>	<u>-</u>

Grants or donations

	2021 \$	2020 \$
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	-	-
	<hr/>	<hr/>
Total grants or donations	<u>-</u>	<u>-</u>

Legal costs

	2021	2020
Litigation	-	-
Other legal matters	-	-
	<hr/>	<hr/>
Total legal costs	<u>-</u>	<u>-</u>

Other expenses

	2021 \$	2020 \$
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	<hr/>	<hr/>
	<u>-</u>	<u>-</u>

**Health Services Union NSW Branch
Notes to the financial statements
30 June 2021**

Note 11. Finance costs

	2021 \$	2020 \$
Bank charges	16,563	13,454
Total finance costs	<u>16,563</u>	<u>13,454</u>

Note 12. Cash and cash equivalents

	2021 \$	2020 \$
<i>Current assets</i>		
Cash at bank	<u>538,762</u>	<u>330,025</u>

Note 13. Trade and other receivables

Receivables from other reporting units

	2021 \$	2020 \$
<i>Current assets</i>		
Receivable from other reporting units - Health Services Union NSW	-	-
Less: Allowance for expected credit losses	-	-
	<u>-</u>	<u>-</u>
Total trade and other receivables (net)	<u>-</u>	<u>-</u>

Note 14. Other assets

	2021 \$	2020 \$
<i>Current assets</i>		
Accrued revenue	4,447	6,633
Prepayments	16,560	7,633
	<u>21,007</u>	<u>14,266</u>

Note 15. Trade and other payables

Current liabilities

	2021 \$	2020 \$
Payable to other reporting units		
Payable to other reporting units - Health Services Union National Office	-	-
Sub total payables to other reporting units	<u>-</u>	<u>-</u>
Trade payables	<u>-</u>	<u>-</u>
Total trade payables	<u>-</u>	<u>-</u>

Health Services Union NSW Branch
Notes to the financial statements
30 June 2021

Note 15. Trade and other payables (continued)

	2021 \$	2020 \$
Other payables		
Deferred revenue	10,440	9,955
Accrued expenses	15,800	16,700
GST payable	7,580	6,044
Consideration to employers for payroll deductions	-	-
Litigation and other legal costs	-	-
	<u>33,820</u>	<u>32,699</u>
Total other payables	<u>33,820</u>	<u>32,699</u>

Note 16. Provisions

Employee provisions

	2021 \$	2020 \$
Office holders		
Annual leave	-	-
Long service leave	-	-
Separation and redundancies	-	-
Other	-	-
Subtotal employee provisions - office holders	<u>-</u>	<u>-</u>
Employees other than office holders:		
Annual leave	-	-
long service leave	-	-
Separation and redundancies	-	-
Other	-	-
Subtotal employees provisions-employees other than office holders	<u>-</u>	<u>-</u>
Total employee provisions	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
<i>Current</i>	-	-
<i>Non-current</i>	-	-
Total employee provisions	<u>-</u>	<u>-</u>

Note 17. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by Nexia Sydney Audit Pty Ltd, the auditor of the Branch:

	2021 \$	2020 \$
<i>Audit services - Nexia Sydney Audit Pty Ltd (2020: RSM Australia Pty Ltd)</i>		
Audit of the financial statements	<u>11,600</u>	<u>12,700</u>
<i>Other services - Nexia Sydney Audit Pty Ltd (2020: RSM Australia Pty Ltd)</i>		
Preparation of financial statements	<u>4,200</u>	<u>4,000</u>
	<u>15,800</u>	<u>16,700</u>

**Health Services Union NSW Branch
Notes to the financial statements
30 June 2021**

Note 20. Reconciliation of surplus to net cash from operating activities (continued)

Note 18. Other specific disclosure - funds

	2021	2020
	\$	\$
Compulsory levy/voluntary contribution fund - if invested in assets	-	-
Other fund(s) required by rules		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Note 19. Retained earnings

	2021	2020
	\$	\$
Retained earnings at the beginning of the financial year	311,592	200,214
Surplus for the year	214,357	111,378
Retained earnings at the end of the financial year	<u>525,949</u>	<u>311,592</u>

Note 20. Reconciliation of surplus to net cash from operating activities

	2021	2020
	\$	\$
Surplus for the year	214,357	111,378
Change in operating assets and liabilities:		
Change in other assets	(6,741)	1,832
Change in deferred revenue and other payables	1,121	358
Net cash from operating activities	<u>208,737</u>	<u>113,568</u>

Reconciliation of cash

Cash at the end of the financial year as shown in the statement of cash flows is reconciled to items in the statement of financial position as follows:

Cash and cash equivalents	538,567	330,025
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Cash inflows

Health Services Union NSW (inc GST)	1,283,522	1,136,044
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Cash outflows

Unions ACT (inc GST)	17,714	6,459
HSU National (inc GST)	1,314,760	1,171,317
Health Services Union NSW (inc GST)	572,000	449,999
Total	<u>1,904,474</u>	<u>1,627,775</u>

Health Services Union NSW Branch
Notes to the financial statements
30 June 2021

Note 21. Key management personnel disclosures

The elected officers of the Health Services Union NSW Branch are detailed on Council's report. These are the key management personnel who are, directly or indirectly, responsible for planning, directing and controlling the activities of the entity.

No member of management receives any remuneration for their services in this regard.

Note 22. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 21.

Transactions with related parties

The following transactions occurred with related parties:

	2021	2020
	\$	\$
Sale of goods and services:		
Reimbursement of capitation fees, ACTU affiliation fees and levies from HSU NSW	1,166,838	1,032,768
Reimbursement of membership contribution received in HSU NSW bank account	931	612
Payment for goods and services:		
Payment for services from HSU NSW	520,000	400,000
Capitation and ACTU affiliation fees charged by HSU National office	1,195,236	1,064,833
Payment for National Council conference expenses to HSU NSW	-	9,090
Reimbursement of membership contribution received in HSU NSW Branch bank account	292	144

Receivable from and payable to related parties

There were no trade receivables from or trade payables to related parties at the current and previous reporting date.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 30 June 2021, the Health Services Union NSW Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body. This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

**Health Services Union NSW Branch
Notes to the financial statements
30 June 2021**

Note 23. Financial instruments

Financial risk management objectives

The main risks Health Services Union NSW Branch is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk and price risk.

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

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

	2021 \$	2020 \$
Financial assets		
Cash and cash equivalents	538,762	330,025
Other receivables	21,007	14,266
Total financial assets	<u>559,769</u>	<u>344,291</u>
Financial liabilities		
<i>Financial liabilities at amortised cost</i>		
Trade and other payables	33,820	32,699
Total financial liabilities	<u>33,820</u>	<u>32,699</u>

Financial risk management policies

The Council has overall responsibility for the establishment of Health Services Union NSW Branch's financial risk management framework.

The day-to-day risk management is carried out by Health Services Union NSW Branch's finance function under policies and objectives which have been adopted by the Health Services Union. The Branch Council has the authority for designing and implementing processes which follow the policies and procedures. This includes monitoring the levels of exposure to interest rate and assessment of market forecasts for interest rate movements.

Health Services Union NSW Branch does not actively engage in the trading of financial assets for speculative purposes nor does it write options.

Mitigation strategies for specific risks faced are described below:

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to Health Services Union NSW Branch and arises principally from Health Services Union NSW Branch's receivables.

The table/s below reflect maturity analysis for financial assets.

2021

	Weighted average effective interest 2021 %	Floating Interest rate 2021 \$	Within 1 Year 2021 \$	1 to 5 years 2021 \$	Over 5 years 2021 \$	Total 2021 \$
Financial assets						
Cash flows realisable						
Cash and equivalents	.01	538,762	-	-	-	538,762
Trade, term and loans receivable		-	-	-	-	-
Total anticipated inflows		<u>538,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>538,762</u>

**Health Services Union NSW Branch
Notes to the financial statements
30 June 2021**

Note 23. Financial instruments (continued)

2020

	Weighted Average Effective Interest 2020 %	Floating interest rate 2020 \$	Within 1 Year 2020 \$	1 to 5 Years 2020 \$	Over 5 Years 2020 \$	Total 2020 \$
Financial assets						
Cash flows realisable						
Cash and equivalents	.05	330,025	-	-	-	330,025
Trade, term and loans receivable		-	-	-	-	-
Total anticipated inflows		<u>330,025</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>330,025</u>

The table below reflect an undiscounted contractual maturity analysis for financial liabilities.

The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates.

Financial liability maturity analysis - Non-derivative

2021

	Within 1 Year 2021 \$	1 to 5 Years 2021 \$	Over 5 Years 2021 \$	Total 2021 \$
Financial liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	<u>33,820</u>	-	-	<u>33,820</u>
Total contractual outflows	<u>33,820</u>	<u>-</u>	<u>-</u>	<u>33,820</u>

2020

	Within 1 Year 2020 \$	1 to 5 Years 2020 \$	Over 5 Years 2020 \$	Total 2020 \$
Financial liabilities due for payment				
Trade and other payables (excluding estimated annual leave)	<u>32,699</u>	-	-	<u>32,699</u>
Total contractual outflows	<u>32,699</u>	<u>-</u>	<u>-</u>	<u>32,699</u>

The timing of expected outflows is not expected to be materially different from contracted cashflows.

Liquidity risk

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

- preparing forward-looking cash flow analysis in relation to its operational, investing and financial activities which are monitored on a monthly basis;
- monitoring undrawn credit facilities;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

Health Services Union NSW Branch
Notes to the financial statements
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Note 23. Financial instruments (continued)

Health Services Union NSW Branch manages its liquidity needs to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

Market risk

Health Services Union NSW Branch is not exposed to any significant interest rate risk or price risk.

Note 24. Contingencies

Health Services Union NSW Branch had no contingent assets and contingent liabilities at 30 June 2021 (2020: \$Nil).

Note 25. Fair value measurement

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. There are no items reported using a fair value methodology.

Note 26. Administration of financial affairs by a third party

Health Services Union NSW provides a service to Health Services Union NSW Branch whereby employees of HSU NSW are utilised by HSU NSW Branch to assist with the completion of work including the provision of financial, industrial and membership support services. In consideration for the services provided, HSU NSW charges HSU NSW Branch a service fee for the expected time cost of the employees used to complete the work. This is represented by the \$520,000 (2020: \$400,000) charged as disclosed in Note 22. The terms and conditions are equivalent to those that prevail in arm's length transactions. Any revenues or expenses incurred by Health Services Union NSW have been disclosed in Note 22.

Note 27. 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:

- (i) 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.
- (ii) 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.
- (iii) A reporting unit must comply with an application made under subsection (i).

Note 28. Branch details

The registered office of the Branch is:
Health Services Union NSW Branch
Level 2, 109 Pitt Street
SYDNEY
NSW 2000

**HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595**

**OFFICER'S DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2021**

I, Lynne Russell, being the Assistant Secretary/Treasurer of the Health Services Union NSW Branch, declare that the following activities did not occur during the reporting period ending 30 June 2021.

The reporting unit did not:

- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the Commissioner, Registered Organisations Commission
- receive revenue from undertaking recovery of wages activity
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- make a payment to a former related party of the reporting unit

Signed by the officer:

L Russell

Dated:

31 August 2021

Independent Auditor's Report to the Members of Health Services Union NSW Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Health Services Union NSW Branch (the Union), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, the Committee of Management Statements, the subsection 255(2A) report and the Officer's declaration.

In our opinion, the accompanying financial report of the Union is in accordance with the Fair Work (Registered Organisations) Act 2009, including:

- i) giving a true and fair view of the Union's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards and any other requirements imposed by the Reporting Guidelines of Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Union in accordance with the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Other information

The Officer's are responsible for the other information. The other information comprises the information in Health Services Union NSW Branch's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of the other information we are required to report that fact. We have nothing to report in this regard.

Officer's' responsibility for the financial report

The Officer's of the Union are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Officer's 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 Officer's are responsible for assessing the Union'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 Officer's either intend to liquidate the Union or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibility for the audit of the financial report

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_files/ar4.pdf. This description forms part of our auditor's report.

Nexia Sydney Audit Pty Ltd



Brett Hanger
Director

Dated: 31 August 2021