

HEALTH SERVICES UNION NSW BRANCH

ABN 93 728 534 595

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2019

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

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

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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 2019**

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 2 September 2019 and
- that the full report was presented to a meeting of the Branch Council of the reporting unit on 28 August 2019 (first meeting) and again on 6 December 2019 (second meeting) in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:

Name of prescribed designated officer:

Title of prescribed designated officer:

Dated:

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

REPORT REQUIRED UNDER SUBSECTION 255(2A)
FOR THE YEAR ENDED 30 JUNE 2019

The Branch Council presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 30 June 2019.

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	-	-
Advertising	-	-
Operating costs	474,509	298,884
Donations to political parties	-	-
Legal costs	-	-

Signature of designated officer:

Name of designated officer:

Title of designated officer:

Dated:



LYNNE RUSSELL.

ASSISTANT SECRETARY / TREASURER

28. 8. 19

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019

The Branch Council presents its operating report on Health Services Branch NSW Branch for the financial year ended 30 June 2019.

1. General information

Review of principal activities, the result of those activities and any significant changes in the nature of those activities during the year

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.

(a) 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.

(b) 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.

(c) 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 40,140 (2018: 37,150).

(d) 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 107 (2018: 85). 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.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1. General information (Continued)

(e) Names of Branch Council and Committee of Management members and period positions held during the financial year

The following persons were Officers of Health Services Union NSW Branch during all or part of the year ending at 30 June 2019:

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
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
Steven Oakman	Ordinary Member of Branch Committee Member of Branch Council	Re-elected 16 July 2018 Resigned 27 February 2019
Laycombe Reilly	Ordinary Member of Branch Committee Member of Branch Council	Elected 28 March 2019
Thelma Thames	Ordinary Member of Branch Committee	Elected 16 July 2018
Melissa Todhunter	Ordinary Member of Branch Committee	Elected 16 July 2018
Alan Wilcock	Ordinary Member of Branch Committee Member of Branch Council Member of Audit & Finance Committee	Re-elected 16 July 2018
Michael Callinan	Member of Branch Council Member of Audit & Finance Committee	Elected 16 July 2018
Joan Catlin	Member of Branch Council Member of Audit & Finance Committee	Re-elected 16 July 2018
Patricia Reid	Member of Branch Council Member of Audit & Finance Committee	Re-elected 16 July 2018
Robert Aney	Member of Branch Council	Elected 16 July 2018
Graeme Baillie	Member of Branch Council	Elected 16 July 2018
Bryan Billington	Member of Branch Council	Elected 16 July 2018
Leigh Bush	Member of Branch Council	Re-elected 16 July 2018
Sharon Carney	Member of Branch Council	Re-elected 16 July 2018
John Jetty Dore	Member of Branch Council	Re-elected 16 July 2018
Leesa Franks	Member of Branch Council	Elected 16 July 2018
Edalina Hondros	Member of Branch Council	Elected 16 July 2018
Mark Jay	Member of Branch Council	Elected 16 July 2018
Jeffrey Knee	Member of Branch Council	Re-elected 16 July 2018
John Lawrence	Member of Branch Council	Re-elected 16 July 2018
Suzanne McGuire	Member of Branch Council	Elected 16 July 2018
William Oddie	Member of Branch Council	Re-elected 16 July 2018
Josephine Peacock	Member of Branch Council	Re-elected 16 July 2018
Gillian Reilly	Member of Branch Council	Re-elected 16 July 2018
Donna Riley	Member of Branch Council	Elected 16 July 2018
Bruce Rowling	Member of Branch Council	Re-elected 16 July 2018
Andrew Teece	Member of Branch Council	Elected 16 July 2018
Darriea Turley	Member of Branch Council	Re-elected 16 July 2018
Toni Winters	Member of Branch Council	Elected 16 July 2018

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

OPERATING REPORT
FOR THE YEAR ENDED 30 JUNE 2019

1. General information (Continued)

Signature of prescribed designated officer:

Lynne Russell

Name of prescribed designated officer:

LYNNE RUSSELL

Title of prescribed designated officer:

ASSISTANT SECRETARY / TREASURER

Dated:

28. 8. 19

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019

On 28 August 2019 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 2019:

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:



Name of designated officer:

LYNNE RUSSELL.

Title of designated officer:

ASSISTANT SECRETARY/TREASURER.

Dated:

28. 8. 19.

**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 "Reporting Unit"), which comprises the statement of financial position as at 30 June 2019, 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, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In our opinion the accompanying financial report presents fairly, in all material aspects, the financial position of Health Services Union NSW Branch as at 30 June 2019, and its financial performance and its cash flows for the year then ended 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).

We declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

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 Reporting Unit 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 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.

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

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

Our opinion on the financial report does not cover the other information and accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

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

In preparing the financial report, the Committee of Management is responsible for assessing the Reporting Unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intends to liquidate the Reporting Unit or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes 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 the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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



RSM AUSTRALIA PTY LTD



C J Hume

Director

Registered Auditor Number AA2018/25

Sydney, NSW

Dated: 28 August 2019

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	2019 \$	2018 \$
Membership subscription		493,041	369,797
Capitation fees and other revenue from another reporting unit	3(a)	-	5,793
Levies	3(b)	-	-
Interest	3(c)	201	174
Grants or donations	3(d)	-	-
Total revenue		493,242	375,764
Employee expenses	4(a)	-	-
Capitation fees and other expense to another reporting unit	4(b)	(26,242)	(24,477)
Affiliation fees	4(c)	(10,585)	(8,260)
Administration expenses	4(d)	(798)	-
Finance costs	4(h)	(13,027)	(11,520)
Audit fees	10	(16,250)	(15,750)
Service fees	14(b)	(380,000)	(220,000)
Rent and outgoings		(18,898)	(18,877)
Travel expenditure		(8,709)	-
Surplus for the year		18,733	76,880
Other comprehensive income		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		18,733	76,880

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	NOTES	2019 \$	2018 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5	216,457	196,893
Trade and other receivables	6	-	-
Other assets	7	16,098	4,720
TOTAL CURRENT ASSETS		232,555	201,613
NON-CURRENT ASSETS		-	-
TOTAL ASSETS		232,555	201,613
LIABILITIES			
CURRENT LIABILITIES			
Trade payables	8(a)	-	-
Other payables	8(b)	32,341	20,132
TOTAL CURRENT LIABILITIES		32,341	20,132
NON-CURRENT LIABILITIES		-	-
TOTAL LIABILITIES		32,341	20,132
NET ASSETS		200,214	181,481
EQUITY			
Retained earnings	12	200,214	181,481
TOTAL EQUITY		200,214	181,481

The accompanying notes form part of these financial statements.

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

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

	Retained Earnings \$	Total Equity \$
Balance as at 1 July 2017	104,601	104,601
Surplus for the year	76,880	76,880
Balance as at 30 June 2018	<u>181,481</u>	<u>181,481</u>
Balance as at 1 July 2018	181,481	181,481
Surplus for the year	18,733	18,733
Balance as at 30 June 2019	<u>200,214</u>	<u>200,214</u>

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2019

	NOTES	2019 \$	2018 \$
OPERATING ACTIVITIES			
Receipts from customers		542,345	408,983
Payments to suppliers and employees		(40,091)	(89,558)
Interest received		201	174
Interest paid		(11,313)	(11,225)
Receipt from other reporting units	13(c)	1,016,259	1,127,116
Payments to other reporting units	13(d)	(1,487,837)	(1,369,344)
Net cash provided by operating activities	13	19,564	66,146
Net increase in cash and cash equivalents		19,564	66,146
Cash and cash equivalents at beginning of the financial year		196,893	130,747
Cash and cash equivalents at end of the financial year	5	216,457	196,893

The accompanying notes form part of these financial statements.

HEALTH SERVICES UNION NSW BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

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.

1. Summary of Significant Accounting Policies

(a) Basis of preparation of the financial statements

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

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, 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 values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

(b) Financial period and financial comparatives

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

(c) New and amended standards and interpretations

Adoption of New Australian Accounting Standard requirements

Branch applied AASB 9 *Financial Instruments* for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

AASB 9 Financial Instruments

AASB 9 replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Branch has applied AASB 9 retrospectively, with an initial application date of 1 July 2018. The Branch has not restated the comparative information, which continues to be reported under AASB 139. There was no significant impact on recognition or measurement in the statement of profit or loss and other comprehensive income, statement of financial position or the statement of cash flows as a result of the adoptions.

(d) Cash and cash equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

(e) Capitation fees and levies

Capitation fees and levies are to be recognised on an accrual basis and recorded as revenues and/or expenses in the year to which it relates.

(f) Revenue

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

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

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

Donation income is recognised when it is received.

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

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

(g) Financial instruments - initial recognition and subsequent measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

From 1 July 2018, the Branch classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

Until 30 June 2018, the Branch classified its financial assets in the following categories:

- financial assets at fair value through profit or loss,
- loans and receivables,
- held-to-maturity investments, and
- available-for-sale financial assets.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

(g) Financial instruments - initial recognition and subsequent measurement (continued)

Financial assets

(i) Classification

From 1 July 2018, the Branch classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss), and
- those to be measured at amortised cost.

The classification depends on the Branch's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Branch has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

The Branch reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Branch commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Branch has transferred substantially all the risks and rewards of ownership.

(iii) Measurement

At initial recognition, the Branch measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

(iv) Impairment

From 1 July 2018, the Branch assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Branch applies the simplified approach permitted by AASB 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

HEALTH SERVICES UNION NSW BRANCH
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

(g) Financial instruments - initial recognition and subsequent measurement (continued)

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

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

The Branch's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Branch that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied. The Branch has not designated any financial liability as at fair value through profit or loss.

Derecognition

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

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

(h) Income tax

Health Services Union NSW Branch is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997*, however, still has obligations for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(i) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the statement of financial position.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

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

(j) 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.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

1. Summary of Significant Accounting Policies (continued)

(k) Changes in accounting policies, disclosures, standards and interpretations

(a) New and amended standards and interpretations

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.

AASB 15 Revenue from Contracts with Customers

The Standard is applicable to annual reporting periods beginning on or after 1 January 2019. AASB 15 replaces AASB 118 Revenue, AASB 111 Construction Contracts and four Interpretations issued by the AASB and amends the principles for recognising revenue from contracts with customers. It applies to all contracts with customers except leases, financial instruments and insurance contracts. The Standard requires an entity to recognise revenue on a basis that depicts the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To achieve that principle, an entity shall apply all of the following steps: a) identify the contract with a customer; b) identify the separate performance obligations in the contract; c) determine the transaction price; d) allocate the transaction price to the separate performance obligations in the contract; and e) recognise revenue when (or as) the entity satisfies a performance obligation. Consequential amendments to other Standards are made by AASB 2014-5 Amendments to Australian Accounting Standards arising from AASB 15. The impact of this standard has not yet been determined.

AASB 16 Leases

The Standard is applicable to annual reporting periods beginning on or after 1 January 2019. AASB 16 replaces AASB 117 Leases and sets out the principles for the recognition, measurement, presentation and disclosure of leases. AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments. A lessee measures right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying AASB 107 Statement of Cash Flows. AASB 16 substantially carries forward the lessor accounting requirements in AASB 117 Leases. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. This Standard applies to annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted provided the entity also applies AASB 15 Revenue from Contracts with Customers at or before the same date. As the Union currently has a number of ongoing lease arrangements as the lessor, this new standard will not have a significant impact on the treatment of existing leases.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

1. Summary of Significant Accounting Policies (continued)

(k) Changes in accounting policies, disclosures, standards and interpretations (continued)

(a) New and amended standards and interpretations (continued)

AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15

The Standard is applicable to annual reporting periods beginning on or after 1 January 2018. This Standard amends AASB 15 Revenue from Contracts with Customers to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence. In addition, it provides further practical expedients on transition to AASB 15. The impact of this standard has not yet been determined.

2. Events Occurring After the Reporting Date

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

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

3. Income	2019	2018
	\$	\$
(a) Capitation fees		
Capitation fees	-	-
Other revenue from another reporting unit-Health Services Union National Office	-	5,793
Total capitation fees	<u>-</u>	<u>5,793</u>
(b) Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
(c) Interest		
Deposits	201	174
Total interest	<u>201</u>	<u>174</u>
(d) Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	<u>-</u>	<u>-</u>
4. Expenses		
(a) Employee expenses		
Holders of office:		
Wages and salaries	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Superannuation	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>-</u>	<u>-</u>
Employees other than office holders:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>-</u>	<u>-</u>
Total employee expenses	<u>-</u>	<u>-</u>

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

4. Expenses (Continued)	2019 \$	2018 \$
	<u> </u>	<u> </u>
(b) Capitation fees		
Health Services Union National Office	17,902	16,744
Other expense to another reporting unit-Health Services Union National Office	8,340	7,733
Total capitation fees	<u>26,242</u>	<u>24,477</u>
(c) Affiliation fees		
Affiliation fees - Unions ACT	5,032	3,732
Affiliation fees - ACTU	5,553	4,528
Total affiliation fees	<u>10,585</u>	<u>8,260</u>
(d) Administration expenses		
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	714	-
Printing and Stationery	-	-
Consultants, bookkeeping and labour hire	-	-
Other	84	-
Subtotal administration expenses	<u>798</u>	<u>-</u>
Operating lease rentals:		
Minimum lease payments	-	-
Total administration expenses	<u>798</u>	<u>-</u>
(e) Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Total grants or donations	<u>-</u>	<u>-</u>
(f) Legal costs		
Litigation	-	-
Other legal matters	-	-
Total legal costs	<u>-</u>	<u>-</u>
(g) Other expenses		
Penalties - via RO Act or RO Regulations	-	-
Total other expenses	<u>-</u>	<u>-</u>

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

4. Expenses (Continued)	2019	2018
	\$	\$
	<hr/>	<hr/>
(h) Finance costs		
Bank charges	13,027	11,520
Total finance costs	13,027	11,520
	<hr/> <hr/>	<hr/> <hr/>
5. Cash and cash equivalents		
Cash at bank	216,457	196,893
Total cash and cash equivalents	216,457	196,893
	<hr/> <hr/>	<hr/> <hr/>
6. Trade and other receivables		
Receivables from other reporting units		
Receivable from other reporting units - Health Services Union NSW	-	-
Total receivables from other reporting units	-	-
	<hr/> <hr/>	<hr/> <hr/>
Less provision for doubtful debts		
Provision for doubtful debts	-	-
Total trade and other receivables (net)	-	-
	<hr/> <hr/>	<hr/> <hr/>
7. Other assets		
Accrued Income	10,072	-
Prepayments	6,026	4,720
	16,098	4,720
	<hr/> <hr/>	<hr/> <hr/>
8. Current liabilities		
Payable to other reporting units		
Payable to other reporting units - Health Services Union National Office	-	-
Sub total payables to other reporting units	-	-
	<hr/> <hr/>	<hr/> <hr/>
(a) Trade payables		
Total trade payables	-	-
	<hr/> <hr/>	<hr/> <hr/>
(b) Other payables		
Deferred revenue	11,599	-
Accrued expenses	16,250	15,751
GST payable	4,492	4,381
Consideration to employers for payroll deductions	-	-
Litigation and other legal costs	-	-
Total other payables	32,341	20,132
	<hr/> <hr/>	<hr/> <hr/>

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

9. Provisions	2019	2018
	\$	\$
Employee provisions		
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>
Current	-	-
Non current	-	-
Total employee provisions	<u>-</u>	<u>-</u>
10. Remuneration of auditors		
Value of the service provided		
Financial statement audit service	12,350	12,000
Other services - financial statements preparation	3,900	3,750
Total remuneration of auditors	<u>16,250</u>	<u>15,750</u>
11. Other specific disclosure - Funds		
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	<u>-</u>	<u>-</u>
12. Retained earnings		
Balance at the start of the year	181,481	104,601
Surplus for the period	18,733	76,880
Retained earnings at end of the financial year	<u>200,214</u>	<u>181,481</u>

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

13. Cash flow information

(a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:	2019	2018
	\$	\$
Surplus for the period	<u>18,733</u>	<u>76,880</u>
Changes in assets and liabilities:		
(Increase)/decrease in trade and other receivables	-	2,206
Increase in other assets	(11,378)	(936)
Increase/(decrease) in deferred revenue and other payables	<u>12,209</u>	<u>(12,004)</u>
Cashflow from operations	<u>19,564</u>	<u>66,146</u>

(b) 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	<u>216,457</u>	<u>196,893</u>
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(c) Cash inflows

Health Services Union NSW (inc GST)	<u>1,016,259</u>	<u>1,127,116</u>
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(d) Cash outflows

Unions ACT (inc GST)	5,535	4,105
HSU National (inc GST)	1,052,869	1,123,239
Health Services Union NSW (inc GST)	<u>429,433</u>	<u>242,000</u>
Total	<u>1,487,837</u>	<u>1,369,344</u>

14. Related parties

(a) Key management personnel

The elected officers of the Health Services Union NSW Branch are detailed on page 5 of this 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.

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

14. Related parties (Continued)

(b) Transactions with related parties

- HSU NSW charged HSU NSW Branch a service fee of \$380,000 for ACT & QLD members (2018: \$220,000) during the year.
- HSU National office charged HSU NSW Branch capitation and ACTU affiliation fees of \$24,761 (2018: \$22,209) during the period. Capitation fees, ACTU affiliation fees and levies charged by HSU National office to the HSU NSW Branch were \$946,835 (2018: \$1,018,858), of which \$24,761 (2018: \$22,209) related to the HSU NSW Branch during the year ended 30 June 2019. HSU NSW Branch billed the Health Services Union NSW for the reimbursement of those capitation fees, ACTU affiliation fees and levies of \$922,074 (2018: \$996,649) for the year ended 30 June 2019.
- HSU NSW Branch charged HSU NSW \$Nil (2018: \$5,793) for the HSU National Office redistribution of surplus funds share for ACT and QLD members.
- HSU NSW Branch reimbursed HSU National office \$10,139 (2018: \$7,733) during the period for travel expenses and subscriptions.
- HSU NSW Branch charged HSU NSW \$1,798 for subscription expenses.
- HSU NSW charged HSU NSW Branch \$10,394 for National Council accommodation expenses.

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 2019, 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
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. Financial risk management

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 Entity'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:

	2019 \$	2018 \$
Financial assets		
Cash and cash equivalents	216,457	196,893
Other receivables	16,098	-
Total financial assets	<u>232,555</u>	<u>196,893</u>
Financial liabilities		
Financial liabilities at amortised cost		
- Trade and other payables	32,341	20,132
Total financial liabilities	<u>32,341</u>	<u>20,132</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:

(a) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. Financial risk management (Continued)

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

	Weighted Average Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years		Over 5 Years		Total
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	
	%	%	\$	\$	\$	\$	\$	\$	\$	\$	
Financial assets											
Cash flows realisable											
Cash and equivalents	0.05	0.05	216,457	196,893	-	-	-	-	-	-	216,457
Trade, term and loans receivable			-	-	-	-	-	-	-	-	-
Total anticipated inflows			216,457	196,893	-	-	-	-	-	-	216,457

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

	Within 1 Year		1 to 5 Years		Over 5 Years		Total
	2019	2018	2019	2018	2019	2018	
	\$	\$	\$	\$	\$	\$	
Financial liabilities due for payment							
Trade and other payables (excluding estimated annual leave)	32,341	20,132	-	-	-	-	32,341
Total contractual outflows	32,341	20,132	-	-	-	-	32,341

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

HEALTH SERVICES UNION NSW BRANCH
ABN 93 728 534 595

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019

15. Financial risk management (Continued)

(b) 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 manages its liquidity needs to ensure that it has sufficient cash on demand to meet expected operational expenses for a period of 60 days.

(c) Market risk

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

16. Contingencies

Health Services Union NSW Branch had no contingent assets and contingent liabilities at 30 June 2019 (2018: \$Nil).

17. 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.

18. 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 \$380,000 (2018: \$220,000) charged as disclosed in Note 14 above. 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 14.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2019**

19. 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).

20. Union 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 DECLARATION STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

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 2019.

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:



Dated:


