



# **ANNUAL REPORT**

## **2020**

VHIA

**VICTORIAN HOSPITALS' INDUSTRIAL  
ASSOCIATION**

**Financial Statements 2019–20**

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**s.268 Fair Work (Registered Organisations) Act 2009**

## **Certificate by prescribed designated officer**

Certificate for the year ended 30 June 2020

I Felicity Topp being the Deputy President of the Victorian Hospitals' Industrial

Association certify:

- that the documents lodged herewith are copies of the full report for the Victorian Hospitals' Industrial Association for the period ended 30 June 2020 referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the Victorian Hospitals' Industrial Association on 19th September 2020 and
- that the full report was presented to a general meeting of members on 11 October 2020 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of prescribed designated officer:



Name of prescribed designated officer: Felicity Topp

Title of prescribed designated officer: Deputy president

Dated: 11 September 2020

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## Report required under subsection 255(2A)

for the year ended 30 June 2020

The committee of management presents the expenditure report as required under subsection 255(2A) on the Victorian Hospitals' Industrial Association for the year ended 30 June 2020.

Descriptive form

Categories of expenditures	2020 (\$)	2019 (\$)
Remuneration and other employment-related costs and expenses – employees	2,425,662	2,175,430
Advertising	-	-
Operating costs	393,656	704,006
Donations to political parties	-	-
Legal costs	159,595	5,234



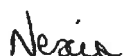
Signature of designated officer:

Name and title of designated officer: Felicity Topp, Deputy President

Dated: 11 September 2020

**Victorian Hospitals' Industrial Association****AUDITOR'S INDEPENDENCE DECLARATION TO THE MEMBERS OF THE VICTORIAN  
HOSPITALS' INDUSTRIAL ASSOCIATION**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2020 there have been no contraventions of the auditor independence requirements as set out in any applicable code of professional conduct in relation to the audit.



**Nexia Melbourne Audit Pty Ltd**  
Melbourne



**Andrew S. Wehrens**  
Registered Auditor Number AA2017/56  
Fellow of Chartered Accountants  
Australia and New Zealand -79117  
Holder of a Current Certificate of Public Practice

**Dated: this 11 day of September 2020**



## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **Operating report for the year ended 30 June 2020**

The Board presents its report on the reporting entity for the financial year ended 30 June 2020.

#### **Principal Activities**

The principal activities of the Association during the financial year were:

- To represent the industrial relations interests of public health sector and community health centre employers, including through preparation for bargaining and bargaining with relevant health industry unions;
- to provide industrial advice to members in diverse industrial disputes and represent such members in proceedings in the Fair Work Commission;
- to assist and advise members of their own and their employee's industrial obligations under award and enterprise agreements;
- to represent members in relevant negotiations and liaise with the Victorian Department of Health and Human Services having regard to their obligations under diverse government policies;
- to encourage and foster sound consultative arrangements designed to prevent disputation and facilitate resolution of potential or actual disputes.

#### **Results of Principal Activities**

The foregoing activities of the Association resulted in fair and reasonable industrial agreements, the minimization of industrial disputes and the fostering of a stable and fair industrial relations environment in the Victorian public health sector.

#### **Significant Changes in Nature of Principal Activities**

There were no significant changes in the nature of the Association's principal activities during the financial year.

#### **Significant Changes in the Association's Financial Affairs**

No matters or circumstances arose during the reporting year which would significantly affect the financial affairs of the Association except as set out in the accompanying general purpose financial report.

## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2020**

#### **Right of members to resign**

a)

- i. A member may resign from membership of the Association by written notice addressed and delivered to the Chief Executive Officer. Such notice shall be taken to have been received by the Association when delivered to the Chief Executive Officer.
- ii. A Notice of Resignation that has been received by the Association is not invalid because it was not addressed and delivered to the Chief Executive Officer.
- iii. A resignation from membership of the Association is valid even if it is not effected in accordance with paragraph 8 (a)(i) if the member is informed in writing by or on behalf of the Association that the resignation has been accepted.

b) A notice of resignation from membership of the Association takes effect as follows:

- i. where the member ceases to be eligible to become a member of the Association:
  - 1) on the day on which the notice is received by the Association; or
  - 2) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member,  
whichever is the later; or
- ii. in any other case:
  - 1) at the expiration of two (2) weeks after the notice is received by the Association; or
  - 2) on the day specified in the notice;  
whichever is later.

- c) If a member ceases to be engaged in or as an employer in the industry, the membership of such member may be determined summarily by resolution of the Board, provided however, that such determination shall not affect the liability of the member to pay all monies owing by the member to the Association.
- d) Any dues payable but not paid by a former member of the Association, in relation to a period before the member's resignation or termination from the Association took effect, may be sued for and recovered in the name of the Association in a court of competent jurisdiction, as a debt due to the Association.
- e) Any member who has not paid any subscription within three (3) months from the date on which such subscription became due or payable shall be disqualified from taking part in any proceedings of the Association and may be struck off the roll of membership by order of the Board in accordance with sub-rule 8(f).

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2020

- f) If a member becomes un-financial in accordance with sub-rule 8(e), his/her name may be struck off the Register of Members by order of the Board. Any member shall cease to be a member of the Association as soon as her/her name shall have been struck off the Register of Members by order of the Board and not sooner. Provided that where a member has become un-financial, and at least twenty eight (28) days before the Board orders that the member be struck off the Register of Members, the Chief Executive Officer shall advise the member in writing, that if he/she fails to pay the outstanding subscriptions and is unable within fourteen (14) days to show cause why they are un-financial within fourteen (14) days of the date of the letter then he/she will be struck off the Register of Members without further notice. If the member pays the outstanding subscriptions within that time then he/she shall not be struck off the Register of Members.
- g) Any member who shall be expelled from the Association under the provisions of Rule 39 shall thereupon cease to be a member.
- h) Members ceasing to be such from any cause whatsoever shall have no claim of any kind monetary or otherwise on the Association or its assets.
- i) Within 28 days after the Association received from a member a notice of the member's resignation from the Association, the Association will give written notice of the resignation to:
  - 1) The Fair Work Commission; and
  - 2) each organization of employees that is bound by an award when the Association receives the notice from the member, bound the member as a result of membership of the Association.

#### **Trustee or Director of a Trustee Company of a superannuation entity or an exempt Public Sector Superannuation Scheme**

No officer or member of the Association was a Trustee or Director of a Trustee Company of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme.

#### **Number of Members**

The number of organizations who at the end of the financial year were recorded on the Register of Members was 115.

#### **Number of Employees**

The number of persons who were at the end of the financial year, employees of the Association was 18.35 measured on a full-time equivalent basis.

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2020

The persons who held office as members of the Board of the Association during the financial year were:

POSITION	NAME	PERIOD (IF NOT FULL YEAR)
<b>President</b>	Dale Fraser	
<b>Deputy President</b>	Felicity Topp	
Board Member	Mark Garwood	
Board Member	Elizabeth (Cheyne) Chalmers	1/7/2019 – 11/10/2019
Board Member	Perry Muncaster	1/7/2019 – 11/10/2019
Board Member	Michelle Fenwick	
Board Member	Sean Curtain	
Board Member	Amanda Murphy	
Board Member	Peter Faulkner	
Board Member	Graeme Mitchell	
Board Member	Jacque Phillips	
Board Member	Jan Child	1/7/2019 – 11/10/2019
Board Member	Mara Richards	11/10/2019 – 30/06/2020
Board Member	Sue Race	11/10/2019 – 30/06/2020
Board Member	Mark Lawrence	11/10/2019 – 30/06/2020
Board Member	Karen Lowe	17/4/2020 – 30/06/2020
<b>Chief Executive Officer</b>	Stuart McCullough	

Signature:



Felicity Topp – Deputy President

Date: 11 September 2020

## Committee of management statement

On the 11 September 2020 the Board of the Victorian Hospitals' Industrial Association passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 30 June 2020:

The Board 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 Victorian Hospitals' Industrial Association for the financial year to which they relate;
- d. there are reasonable grounds to believe that the Victorian Hospitals' Industrial Association will be able to pay its debts as and when they become due and payable; and
- e. during the financial year to which the GPFR relates and since the end of that year:
  - i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii) the financial affairs of the Victorian Hospitals' Industrial Association 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 Victorian Hospitals' Industrial Association have been kept and maintained in accordance with the RO Act; and
  - iv) where information has been sought in any request by a member of the Victorian Hospitals' Industrial Association or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - v) 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 Committee of Management.

**DESIGNATED OFFICER: Felicity Topp**

**TITLE OF OFFICE: Deputy President**



SIGNATURE:

Date: 11 September 2020

# Statement of comprehensive income

for the year ended 30 June 2020

	Notes	2020 \$	2019 \$
<b>Revenue from contracts with customers</b>			
Membership subscription		2,741,685	2,790,920
Other sales of goods or services to members		246,507	364,259
<b>Total revenue from contracts with customers</b>	3	2,988,192	3,155,179
<b>Other Income</b>			
Investment income	3A	64,164	67,116
Rental revenue	3B	8,458	8,338
Other revenue	3C	338,781	185,774
<b>Total other income</b>		411,403	261,228
<b>Total income</b>		3,399,595	3,416,407
<b>Expenses</b>			
Employee expenses	4A	2,425,662	2,175,430
Administration expenses	4B	370,318	686,156
Depreciation and amortisation	4C	134,317	142,172
Legal costs	4D	159,595	5,234
Audit fees	12	23,338	17,850
<b>Total expenses</b>		3,113,230	3,026,842
<b>Surplus (deficit) for the year</b>		286,365	389,565
<b>Total comprehensive income for the year</b>		286,365	389,565

The above statement should be read in conjunction with the notes.

## Statement of financial position

as at 30 June 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	4,828,811	5,234,082
Trade and other receivables*	5B	137,296	68,814
Other current assets	5C	53,261	-
<b>Total current assets</b>		<b>5,019,368</b>	<b>5,302,896</b>
<b>Non-current Assets</b>			
Land and buildings	6A	2,200,000	2,200,000
Plant and equipment	6A	19,737	34,064
Investment property	6C	120,000	120,000
<b>Total non-current assets</b>		<b>2,339,737</b>	<b>2,354,064</b>
<b>Total assets</b>		<b>7,359,105</b>	<b>7,656,960</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables*	7A	90,798	33,479
Other payables*	7B	1,936,539	2,784,292
Employee provisions	8A	476,610	380,926
<b>Total current liabilities</b>		<b>2,503,947</b>	<b>3,198,697</b>
<b>Non-current Liabilities</b>			
Employee provisions	8A	38,895	48,355
<b>Total non-current liabilities</b>		<b>38,895</b>	<b>48,335</b>
<b>Total liabilities</b>		<b>2,542,842</b>	<b>3,247,052</b>
<b>Net assets</b>		<b>4,816,263</b>	<b>4,409,908</b>
<b>EQUITY</b>			
General funds		4,137,686	3,851,321
Reserves	9A	678,577	558,587
Retained earnings (accumulated deficit)		-	-
<b>Total equity</b>		<b>4,816,263</b>	<b>4,409,908</b>

The above statement should be read in conjunction with the notes.

# Statement of changes in equity

for the year ended 30 June 2020

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 July 2018</b>		467,487	3,461,756	3,929,243
Surplus / (deficit)		-	389,565	389,565
Transfer to/from Asset Revaluation Reserve	9A	91,100	-	91,100
<b>Closing balance as at 30 June 2019</b>		<b>558,587</b>	<b>3,851,321</b>	<b>4,409,908</b>
Surplus / (deficit)		-	286,365	286,365
Transfer to/from Asset Revaluation Reserve	9A	119,990	-	119,990
Transfer from retained earnings		-	-	-
<b>Closing balance as at 30 June 2020</b>		<b>678,577</b>	<b>4,137,686</b>	<b>4,816,263</b>

The above statement should be read in conjunction with the notes.

# Statement of cash flows

for the year ended 30 June 2020

		2020	2019
		\$	\$
	Notes		
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Interest		64,164	67,116
Receipts from Members		2,719,300	3,844,482
<b>Cash used</b>			
Employees		2,339,438	2,296,050
Suppliers		849,297	751,846
<b>Net cash from (used by) operating activities</b>	10A	(405,271)	863,702
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	26,162
Term Deposit		-	2,020,822
<b>Cash used</b>			
Purchase of plant and equipment		-	38,171
<b>Net cash from (used by) investing activities</b>		-	38,171
<b>Net increase (decrease) in cash held</b>		(405,271)	2,872,515
Cash & cash equivalents at the beginning of the reporting period		5,234,082	2,361,567
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	4,828,811	5,234,082

The above statement should be read in conjunction with the notes.

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## Note 1 Summary of significant accounting policies

### 1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009*. For the purpose of preparing the general purpose financial statements, the Victorian Hospitals' Industrial Association 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.

### 1.2 Comparative amounts

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

### 1.3 New Australian Accounting Standards

#### ***Adoption of New Australian Accounting Standard requirements***

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- AASB 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions

[Application of these standards are discussed further below]

- AASB 16 Leases and amending standards, which replaces AASB 117 Leases.

[Application of this standard is discussed further below]

## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **Impact on adoption of AASB 15 Revenue from Contracts with Customers (AASB 15) and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)**

AASB 15 Revenue from Contracts with Customers supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers.

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 also includes implementation guidance to assist not-for-profit entities to determine whether particular transactions, or components thereof, are contracts with customers. If a transaction is outside the scope of AASB 15, the recognition and measurement of income arising from the transaction may instead be specified by another Standard, for example AASB 1058 Income of Not-for-Profit Entities.

AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the Victorian Hospitals' Industrial Association. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:

- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;
- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and
- all not-for-profit entities can elect to recognise volunteer services at fair value if the fair value of those services can be reliably measured.

The Victorian Hospitals' Industrial Association adopted AASB 15 and AASB 1058 using the modified retrospective method of adoption, with the date of initial application of 1 July 2019. In accordance with the transition approach, The Victorian Hospitals' Industrial Association recognised the cumulative effect of applying these new standards as an adjustment to opening retained earnings at the date of initial application, i.e., 1 July 2019. Consequently, the comparative information presented has not been restated and continues to be reported under the previous standards on revenue and income recognition. In addition, Victorian Hospitals' Industrial Association has applied the practical expedient and elected to apply these standards retrospectively only to contracts and transactions that were not completed contracts at the date of initial application, i.e., as at 1 July 2019. [If applicable]

The adoption of AASB 15 and AASB 1058 did not have a material impact on the Victorian Hospitals' Industrial Association's financial statements

### **Impact on adoption of AASB 16 Leases**

AASB 16 Leases supersedes AASB 117 Leases, Interpretation 4 Determining whether an arrangement contains a Lease, Interpretation 115 Operating Leases—Incentives and Interpretation 127 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under AASB 16 is substantially unchanged from AASB 117. Lessors will continue to classify leases as either operating or finance leases using similar principles as in AASB 117. Therefore, AASB 16 does not have an impact for leases where the Victorian Hospitals' Industrial Association is the lessor.

Victorian Hospitals' Industrial Association has adopted AASB 16 using the modified retrospective method of transition, with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. Victorian Hospitals' Industrial Association elected to use the transition practical expedient to not reassess whether a contract is or contains a lease at 1 July 2019.

Instead, Victorian Hospitals' Industrial Association applied the standard only to contracts that were previously identified as leases applying AASB 117 and Interpretation 4 at the date of initial application.

The introduction of this standard will not have a material impact on the accounts of Victorian Hospitals' Industrial Association, as it does not have any leases.

### **Future Australian Accounting Standards Requirements**

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on Victorian Hospitals' Industrial Association include:

#### **AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted

## 1.4 Revenue

The Victorian Hospitals' Industrial Association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, rentals, and grants.

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

### Revenue from contracts with customers

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

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

### Membership subscriptions

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

The Victorian Hospitals' Industrial Association recognises revenue as the membership service is provided, which is based on the passage of time over the subscription period to reflect the Victorian Hospitals' Industrial Association promise to stand ready to provide assistance and support to the member as required.

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

### Gains from sale of assets

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

### **Interest income**

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

### **Rental income**

Leases in which the Victorian Hospitals' Industrial Association as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

## **1.5 Employee benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Victorian Hospitals' Industrial Association in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

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

## **1.6 Borrowing costs**

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

### 1.7 Cash

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

### 1.8 Financial instruments

Financial assets and financial liabilities are recognised when a Victorian Hospitals' Industrial Association entity becomes a party to the contractual provisions of the instrument.

#### Financial assets

##### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Victorian Hospitals' Industrial Association's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Victorian Hospitals' Industrial Association initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (SPPI) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Victorian Hospitals' Industrial Association business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Victorian Hospitals' Industrial Association commits to purchase or sell the asset.

### **Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in five categories:

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

### **Financial assets at amortised cost**

The Victorian Hospitals' Industrial Association measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Victorian Hospitals' Industrial Association's financial assets at amortised cost includes trade receivables and loans to related parties.

### **Financial assets at fair value through other comprehensive income**

The Victorian Hospitals' Industrial Association measures debt instruments at fair value through OCI if both of the following conditions are met:

- The financial asset is held within a business model with the objective of both holding to collect contractual cash flows and selling and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Victorian Hospitals' Industrial Association's debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

### **Investments in equity instruments designated at fair value through other comprehensive income**

Upon initial recognition, the Victorian Hospitals' Industrial Association can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Victorian Hospitals' Industrial Association benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Victorian Hospitals' Industrial Association elected to classify irrevocably its listed and non-listed equity investments under this category.

### **Financial assets at fair value through profit or loss (including designated)**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Victorian Hospitals' Industrial Association has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  - a) the Victorian Hospitals' Industrial Association has transferred substantially all the risks and rewards of the asset, or
  - b) the Victorian Hospitals' Industrial Association has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Victorian Hospitals' Industrial Association has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Victorian Hospitals' Industrial Association continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

### Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### Impairment

#### (i) Trade receivables

For trade receivables that do not have a significant financing component, the Victorian Hospitals' Industrial Association applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the Victorian Hospitals' Industrial Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Victorian Hospitals' Industrial Association has established a

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

### **(ii) Debt instruments other than trade receivables**

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the Victorian Hospitals' Industrial Association recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Victorian Hospitals' Industrial Association expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

The Victorian Hospitals' Industrial Association considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Victorian Hospitals' Industrial Association may also consider a financial asset to be in default when internal or external information indicates that the Victorian Hospitals' Industrial Association is unlikely to receive the outstanding contractual amounts in full. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

## **1.9 Financial Liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

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

The Victorian Hospitals' Industrial Association's financial liabilities include trade and other payables.

## **Subsequent measurement**

### **Financial liabilities at fair value through profit or loss (including designated)**

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.

Gains or losses on liabilities held for trading are recognised in 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 AASB 9 are satisfied.

### **Financial liabilities at amortised cost**

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

## **Derecognition**

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

## **1.10 Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the statement of financial position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

## 1.11 Land, buildings, plant and equipment

### ***Asset Recognition Threshold***

Purchases of land, buildings, plant and equipment are recognised initially at cost in the statement of financial position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

### ***Revaluations—Land and Buildings***

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

### ***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straightline method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	2020	2019
Buildings	25 years	25 years
Plant and equipment	2 to 5 years	2 to 5 years

### ***Derecognition***

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment

is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

### 1.12 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

### 1.13 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of Victorian Hospitals' Industrial Association intangible assets are:

	2020	2019
Intangibles	4 years	4 years

#### ***Derecognition***

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

#### 1.14 Impairment of non-financial assets

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

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Victorian Hospitals' Industrial Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

#### 1.15 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

#### 1.16 Taxation

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

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

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

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

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

### 1.17 Fair value measurement

The Victorian Hospitals' Industrial Association measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 13A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Victorian Hospitals' Industrial Association. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Victorian Hospitals' Industrial Association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Victorian Hospitals' Industrial Association determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Victorian Hospitals' Industrial Association has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

### **1.18 Going concern**

Victorian Hospitals' Industrial Association is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

Victorian Hospitals' Industrial Association has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

**Note 2        Events after the reporting period**

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

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

2020	2019
\$	\$

### **Note 3                      Income**

#### **Disaggregation of revenue from contracts with customers**

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

	2020	2019
	\$	\$
<b>Type of customer</b>		
Members	2,988,192	3,155,179
<b>Total revenue from contracts with customers</b>	<u>2,988,192</u>	<u>3,155,179</u>

#### **Note 3A: Investment income**

Interest		
Deposits	64,164	67,116
<b>Total investment income</b>	<u>64,164</u>	<u>67,116</u>

#### **Note 3B: Rental revenue**

Properties	8,458	8,338
<b>Total rental revenue</b>	<u>8,458</u>	<u>8,338</u>

#### **Note 3C: Other revenue**

Rebilled Expenses	-	185,748
JobKeeper	181,281	-
Cash Boost	50,000	-
Other	-	26
Insurance Recoveries	107,500	-
<b>Total other revenue</b>	<u>338,781</u>	<u>185,774</u>

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2020	2019
	\$	\$

### Note 4 Expenses

#### Note 4A: Employee expenses

##### Employees other than office holders:

Wages and salaries	2,081,713	2,064,384
Superannuation	203,455	176,958
Leave and other entitlements	127,676	(74,966)
Separation and redundancies	-	-
Other employee expenses	12,818	9,054
<b>Subtotal employee expenses employees other than office holders</b>	<b>2,425,662</b>	<b>2,175,430</b>
<b>Total employee expenses</b>	<b>2,425,662</b>	<b>2,175,430</b>

#### Note 4B: Administration expenses

Contractors/consultants	134,028	254,302
Property expenses	19,510	24,172
Office expenses	56,198	65,333
Information communications technology	26,255	6,099
Other	134,327	336,250
<b>Total administration expense</b>	<b>370,318</b>	<b>686,156</b>

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2020	2019
	\$	\$

### Note 4C: Depreciation and amortisation

#### Depreciation

Land & buildings

	119,990	119,040
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Property, plant and equipment

	14,327	23,132
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#### Total depreciation

	134,317	142,172
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### Note 4D: Legal costs

Other legal costs

	12,095	5,234
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Termination payments

	147,500	-
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#### Total legal costs

	159,595	5,234
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## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2020	2019
	\$	\$

### Note 5      Current Assets

#### Note 5A: Cash and cash equivalents

Cash at bank	4,828,811	5,234,082
<b>Total Cash and cash equivalents</b>	<b>4,828,811</b>	<b>5,234,082</b>

#### Note 5B: Trade and other receivables

Trade receivables	52,016	57,235
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#### Other receivables:

GST receivable	12,380	11,091
Other	72,900	488
<b>Total other receivables</b>	<b>85,280</b>	<b>11,579</b>
<b>Total trade and other receivables (net)</b>	<b>137,296</b>	<b>68,814</b>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	-	2,743
Provision for expected credit losses	-	(2,743)
Write-off	-	-
<b>At 30 June</b>	-	-

#### Note 5C: Other Current Assets

Prepayments	53,261	-
<b>Total Other Current Assets</b>	<b>53,261</b>	-

**VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

**Note 6      Non-current Assets**

**Note 6A: Property, Plant and Equipment**

**2020**

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Property, Plant and Equipment: fair value	939,580	1,933,360	100,586	2,973,526
accumulated depreciation	-	(672,940)	(80,849)	(753,789)
<b>Total Property, Plant and Equipment</b>	<b>939,580</b>	<b>1,260,420</b>	<b>19,737</b>	<b>2,219,737</b>

**Reconciliation of opening and closing balances of property, plant and equipment**

<b>Net book value 1 July 2019</b>	819,590	1,380,410	34,064	2,234,064
Additions:				
By purchase	-	-	-	-
Revaluations	119,900	-	-	119,900
Impairments	-	-	-	-
Depreciation expense	-	(119,900)	(14,327)	(134,317)
Other movement	-	-	-	-
Disposals:				
Other	-	-	-	-
<b>Net book value 30 June 2020</b>	<b>939,580</b>	<b>1,260,420</b>	<b>19,737</b>	<b>2,219,737</b>
<b>Net book value as of 30 June 2020 represented by:</b>				
Gross book value	939,580	1,933,360	100,586	2,973,526
Accumulated depreciation and impairment	-	(672,940)	(80,849)	(753,789)
<b>Net book value 30 June</b>	<b>939,580</b>	<b>1,260,420</b>	<b>19,737</b>	<b>2,219,737</b>

**VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

**Note 6A: Property, Plant and Equipment (Continued)**

**2019**

	Land \$	Buildings \$	Plant and Equipment \$	Total \$
Property, Plant and Equipment: fair value	819,590	1,933,361	100,586	2,853,537
accumulated depreciation	-	(552,951)	(66,522)	(619,473)
<b>Total Property, Plant and Equipment</b>	<b>819,590</b>	<b>1,380,410</b>	<b>34,064</b>	<b>2,234,064</b>

**Reconciliation of opening and closing balances of property, plant and equipment**

<b>Net book value 1 July 2018</b>	<b>728,490</b>	<b>1,471,510</b>	<b>73,127</b>	<b>2,273,127</b>
Additions:				
By purchase	-	27,940	10,231	38,171
Revaluations	91,100	-	-	91,100
Impairments	-	-	-	-
Depreciation expense	-	(119,040)	(23,132)	(142,172)
Other movement	-	-	-	-
Disposals:				
	-	-	-	-
Other	-	-	(26,162)	(26,162)
<b>Net book value 30 June 2019</b>	<b>819,590</b>	<b>1,380,410</b>	<b>34,064</b>	<b>2,234,064</b>
<b>Net book value as of 30 June 2019 represented by:</b>				
Gross book value	819,580	1,933,361	100,566	2,853,537
Accumulated depreciation and impairment	-	(552,951)	(66,522)	(619,473)
<b>Net book value 30 June 2019</b>	<b>819,580</b>	<b>1,380,410</b>	<b>34,064</b>	<b>2,234,064</b>

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

The revalued land and buildings consist of \$2,200,000. Management determined that these constitute one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation 8<sup>th</sup> June 2020, the properties' fair values are based on valuations performed by Michael Jackson of Jacx Property, an accredited independent valuer.

<b>Significant unobservable valuation input</b>	<b>Range</b>
Price per square metre	\$3,500 - \$3,800

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
<b>Note 6C: Investment property</b>		
<b>Opening balance as at 1 July</b>	<b>120,000</b>	120,000
Additions	-	-
Net gain from fair value adjustment	-	-
<b>Closing balance as at 30 June</b>	<b>120,000</b>	120,000

The valuation on the 8<sup>th</sup> June 2020 was performed by Michael Jackson of Jacx Property an accredited independent valuer with a recognised and relevant professional qualification and with recent experience in the location and category of the investment property being valued.

The fair value of completed investment property has been determined on a market value basis in accordance with International Valuation Standards (IVS), as set out by the International Valuation Standards Council (IVSC). In arriving at their estimates of market values, the valuers have used their market knowledge and professional judgement and not only relied on historical transactional comparables.

The highest and best use of the investment property is not considered to be different from its current use.

Rental income earned and received from the investment property during the year was [\$8,458] (2019: [\$8,338]).

Direct expenses incurred in relation to the investment property that generated rental income during the year was \$5,590 (2019: [\$6,855]). During the year and as at the year-end, no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal were present. The Victorian Hospitals' Industrial Association does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

The fair value of investment property is determined by Michael Jackson using recognised valuation techniques. These techniques comprise both the Discounted Cash Flow (DCF) method and Income Capitalisation method.

Under the DCF method, a property's fair value is estimated using explicit assumptions regarding the benefits and liabilities of ownership over the asset's life including estimated rental income and an exit or terminal value.

This involves the projection of a series of cash flows and to this an appropriate, market-derived discount rate is applied to establish the present value of the income stream. Under the income capitalisation method, a property's fair value is estimated based on the normalised net operating income generated by the property, which is divided by the capitalisation rate (the investor's rate of return).

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2020	2019
	\$	\$
<b>Note 7      Current Liabilities</b>		
<b>Note 7A: Trade payables</b>		
Trade creditors and accruals	90,798	33,479
<b>Subtotal trade creditors</b>	<u>90,798</u>	<u>33,479</u>
<b>Total trade payables</b>	<u>90,798</u>	<u>33,479</u>
Settlement is usually made within 30 days.		
<b>Note 7B: Other payables</b>		
Wages and salaries	-	18,130
Superannuation	-	53
Prepayments received/unearned revenue	1,853,421	2,703,923
GST payable	6,276	9,299
Other	76,842	52,887
<b>Total other payables</b>	<u>1,936,539</u>	<u>2,784,292</u>
Total other payables are expected to be settled in:		
No more than 12 months	1,936,539	2,784,292
More than 12 months	-	-
<b>Total other payables</b>	<u>1,936,539</u>	<u>2,784,292</u>

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2020	2019
	\$	\$

### Note 8 Provisions

#### Note 8A: Employee provisions

<b>Employees other than office holders:</b>		
Annual leave	235,971	195,277
Long service leave	279,534	234,004
<b><i>Subtotal employee provisions—employees other than office holders</i></b>	<b>515,505</b>	<b>429,281</b>
<b>Total employee provisions</b>	<b>515,505</b>	<b>429,281</b>
Current	476,610	380,926
Non-current	38,895	48,355
<b>Total employee provisions</b>	<b>515,505</b>	<b>429,281</b>

### Note 9 Equity

#### Note 9A: General funds

Asset Revaluation Reserve		
<b>Balance as at start of year</b>	<b>558,587</b>	<b>467,487</b>
Transferred to reserve	119,990	91,100
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	<b>678,577</b>	<b>558,587</b>
<b>Total reserves</b>	<b>678,577</b>	<b>558,587</b>

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2020	2019
	\$	\$

### **Note 10      Cash Flow**

#### **Note 10A: Cash flow reconciliation**

#### **Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:**

##### **Cash and cash equivalents as per:**

Cash flow statement	4,828,811	5,234,082
Balance sheet	4,828,811	5,234,082
<b>Difference</b>	<b>-</b>	<b>-</b>

#### **Reconciliation of profit/(deficit) to net cash from operating activities:**

Profit/(deficit) for the year	286,365	389,565
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#### **Adjustments for non-cash items**

Depreciation/amortisation	134,317	142,172
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#### **Changes in assets/liabilities**

(Increase)/decrease in net receivables	(68,482)	(37,015)
(Increase)/decrease in other assets	(53,261)	-
Increase/(decrease) in supplier payables	57,319	124
Increase/(decrease) in other payables	(847,753)	489,476
Increase/(decrease) in employee provisions	86,224	(120,620)
<b>Net cash from (used by) operating activities</b>	<b>(405,271)</b>	<b>863,702</b>

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2020	2019
	\$	\$

## **Note 11      Related Party Disclosures**

### **Note 11A: Key management personnel remuneration for the reporting period**

<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	470,343	440,014
Annual leave accrued	11,286	(3,919)
<b>Total short-term employee benefits</b>	481,629	436,095
 <b>Post-employment benefits:</b>		
Superannuation	44,683	37,810
<b>Total post-employment benefits</b>	44,683	37,810
 <b>Other long-term benefits:</b>		
Long-service leave	11,069	17,524
<b>Total other long-term benefits</b>	11,069	17,524
 <b>Termination benefits</b>		
	-	-
<b>Total</b>	537,381	491,429

## **Note 12      Remuneration of Auditors**

<b>Value of the services provided</b>		
Taxation and Accounting Advice	4,600	-
Financial statement audit services	18,738	17,850
<b>Total remuneration of auditors</b>	23,338	17,850

## **Note 13      Financial Instruments**

The VHIA's financial instruments consist of deposits with banks, accounts receivable and accounts payable. It has no exposure to foreign currency and has minimal exposure to interest rate risk through its interest-bearing current account with its bankers. The VHIA does not have any derivative instruments at 30 June 2020.

The only potential risks the VHIA is exposed to through its financial instruments are interest rate risk, liquidity risk and credit risk.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis for measurement, and basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

### **Risk Management**

#### *Liquidity Risk*

VHIA Board members meet on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. They conduct these processes to maintain sufficient funds to pay trade payables and employee entitlements within commercial trading terms

#### *Credit risk*

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets, is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

The VHIA does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the VHIA.

#### *Interest Rate Risk*

The VHIA is not exposed to any material interest rate risk as it has no interest-bearing debt and only derives interest from cash balances in its operating bank account and bank term deposits. The rate of interest derived is floating with market rates for the bank account and fixed at the time of lodgement for the term deposits. The VHIA has performed an interest rate sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrated the effect on the current year results and equity which could result from a change in this risk is not material.

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

<b>2020</b>	<b>2019</b>
<b>\$</b>	<b>\$</b>

### **Note 13A: Categories of Financial Instruments**

#### ***Financial assets***

Fair value through profit or loss:

Cash and Cash equivalents

<b>4,828,811</b>	5,234,082
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**Total**

<b>4,828,811</b>	5,234,082
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***Carrying amount of financial assets***

<b>4,828,811</b>	5,234,082
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#### ***Financial liabilities***

Fair value through profit or loss:

Accounts Payable

<b>90,798</b>	33,479
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**Total**

<b>90,798</b>	33,479
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***Carrying amount of financial liabilities***

<b>90,798</b>	33,479
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## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2020 \$	2019 \$
<b>Note 13B: Net income and expense from financial assets</b>		
Interest revenue	64,164	67,116
<b>Net gain/(loss)</b>	<b>64,164</b>	<b>67,116</b>
<b>Net income/(expense) from financial assets</b>	<b>64,164</b>	<b>67,116</b>

### Note 13C: Credit risk

The Association's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on classes of financial assets and financial liabilities, is as follows:

<b>Financial assets</b>		
Cash and Cash Equivalents	4,828,811	5,234,082
Trade Receivables	52,106	57,235
Other Receivables	72,900	11,579
<b>Total</b>	<b>4,953,817</b>	<b>5,302,896</b>
<b>Financial liabilities</b>		
Accounts Payable	90,798	33,479
<b>Total</b>	<b>90,798</b>	<b>33,479</b>

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

30 June 2020	Trade and other receivables					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	0	0	0	0	0	0
Expected credit loss	0	0	0	0	0	0

30 June 2019	Trade and other receivables					
	Days past due					
			30-60	61-90		
	Current	<30 days	days	days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimate total gross carrying amount at default	0	0	0	0	0	0
Expected credit loss	0	0	0	0	0	0

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

The Victorian Hospitals' Industrial Association's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2020 and 2019 is the carrying amounts as illustrated in Note 13C.

### Note 13D: Liquidity risk

VHIA Board members meet on a regular basis to analyse interest rate exposure and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts. They conduct these processes to maintain sufficient funds to pay trade payables and employee entitlements within commercial trading terms

#### Contractual maturities for financial liabilities 2020

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Accounts Payable	-	90,798	-	-	-	90,798
<b>Total</b>	-	90,798	-	-	-	90,798

#### Contractual maturities for financial liabilities 2019

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Accounts Payable	-	33,479	-	-	-	33,479
<b>Total</b>	-	33,479	-	-	-	33,479

# Note 14 Fair Value Measurement

## Note 14A: Financial assets and liabilities

Management of the Victorian Hospitals' Industrial Association 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.

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the Victorian Hospitals' Industrial Association's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 30 June 2020 was assessed to be insignificant.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Victorian Hospitals' Industrial Association based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 30 June 2020 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Victorian Hospitals' Industrial Association financial assets and liabilities:

	Carrying amount 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
<b>Financial assets</b>				
Cash and Cash Equivalents	4,828,811	4,828,811	5,234,082	5,234,082
Trade Receivables	52,106	52,106	57,235	57,235
Other Receivables	72,900	72,900	11,579	11,579
<b>Total</b>	<b>4,953,817</b>	<b>4,953,817</b>	<b>5,302,896</b>	<b>5,302,896</b>
<b>Financial liabilities</b>				
Trade Payable	90,798	90,798	33,479	33,479
<b>Total</b>	<b>90,798</b>	<b>90,798</b>	<b>33,479</b>	<b>33,479</b>

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### Note 14B: Financial and non-financial assets and liabilities fair value hierarchy

The following tables provide an analysis of financial and non-financial assets and liabilities that are measured at fair value, by fair value hierarchy.

#### Fair value hierarchy – 30 June 2020

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
Footscray Building	8 June 2020	-	-	2,200,000
Car Parks	8 June 2020	-	-	120,000
<b>Total</b>		<b>-</b>	<b>-</b>	<b>2,320,000</b>

#### Fair value hierarchy – 30 June 2019

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>		<b>\$</b>	<b>\$</b>	<b>\$</b>
Footscray Building	25 June 2019	-	-	2,200,000
Car Parks	24 June 2019	-	-	120,000
<b>Total</b>		<b>-</b>	<b>-</b>	<b>2,320,000</b>

### Note 14C: Description of significant unobservable inputs

	Valuation technique	Significant unobservable inputs	Range (weighted average)
Carparks	DCF Method	\$300 per carpark per month	
Footscray Office	DCF Method	<ul style="list-style-type: none"> <li>Estimated rental value per sqm per month <sup>(3)</sup></li> </ul>	\$3,500-\$3,800 psm p.a.

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

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of members is drawn to the provisions of subsections (1) to (3) of section 272, which reads as follows:

Information to be provided to members or Commissioner:

- 1) A member of a Victorian Hospitals' Industrial Association, or the Commissioner, may apply to the Victorian Hospitals' Industrial Association for specified prescribed information in relation to the Victorian Hospitals' Industrial Association to be made available to the person making the application.
- 2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Victorian Hospitals' Industrial Association.
- 3) A Victorian Hospitals' Industrial Association must comply with an application made under subsection (1).

## Officer declaration statement

I, Felicity Topp being the Deputy President of the Victorian Hospitals' Industrial Association, declare that the following activities did not occur during the reporting period ending 30 June 2020.

The Victorian Hospitals' Industrial Association did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- 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 capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to another reporting unit
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay a donation that exceeded \$1,000
- pay wages and salaries to holders of office
- pay superannuation to holders of office
- pay leave and other entitlements to holders of office
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay to a person fees or allowances to attend conferences or meetings as a representative of the Victorian Hospitals' Industrial Association

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to other legal matters
- have an annual leave provision in respect of holders of office
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- 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
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity
- have another reporting unit administer the financial affairs of the Victorian Hospitals' Industrial Association
- make a payment to a former related party of the Victorian Hospitals' Industrial Association
- have a liability for separation and redundancy(other than office holders)
- have a liability for other employment provisions for employees (other than office holders)
- No recovery of wages activity has been undertaken

Deputy President: Felicity Topp



Dated: 11 September 2020

## **Independent Auditors' Report To the Members of Victorian Hospitals' Industrial Association**

### **Report on the Audit of the Financial Report**

#### ***Opinion***

We have audited the financial report of Victorian Hospitals' Industrial Association (the Reporting Unit), which comprises the statement of financial position as at 30 June 2020, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2020, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, 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 Victorian Hospitals' Industrial Association as at 30 June 2020, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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 the 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 & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the financial report in Australia. We have also fulfilled the 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.

#### ***Emphasis of Matter – Potential Impact of COVID-19***

We draw attention to the current impact on the financial markets as a result of the COVID-19 pandemic, and note the potential negative impact of this uncertainty on the association's future financial reporting, including but not limited to the market value of assets and the potential impact business operations. Our Audit opinion of these 2020 Financial Statements is, however, not qualified in respect to this matter.

#### ***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.

## **Independent Auditor's Report To the Members of Victorian Hospitals' Industrial Association**

### **Report on the Audit of the Financial Report**

In connection with the 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 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 intend to liquidate the Reporting Unit 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.

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.



## **Independent Auditor's Report To the Members of Victorian Hospitals' Industrial Association**

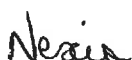
### **Report on the Audit of the Financial Report**

#### ***Auditor's responsibility for the audit of the financial report continued...***

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Reporting Unit audit. We remain solely responsible for the audit opinion.

We communicate with those charged 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.

We also provide the Committee of Management with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.



**Nexia Melbourne Audit Pty Ltd**  
Melbourne



**Andrew S. Wehrens**  
Registered Auditor Number AA2017/56  
Fellow of Chartered Accountants  
Australia and New Zealand -79117  
Holder of a Current Certificate of Public Practice

**Dated: this 11 day of September 2020**

