

VHIA

ANNUAL REPORT

2023



VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

Financial Statements 2022-23

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Report required under subsection 255(2A)

for the year ended 30 June 2023

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 2023.

Descriptive form

Categories of expenditures	2023(\$)	2022(\$)
Remuneration and other employment-related costs and expenses – employees	2,317,368	2,289,421
Advertising	-	-
Operating costs	619,200	465,709
Donations to political parties	-	-
Legal costs	34,264	31,819



Signature of designated officer:

Name and title of designated officer: Amanda Murphy, Deputy President

Dated: 11 August 2023

Auditor's Independence Declaration




AUDITOR'S INDEPENDENCE DECLARATION TO THE COMMITTEE OF MANAGEMENT OF VICTORIAN HOSPITAL'S INDUSTRIAL ASSOCIATION

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023 there have been:-

- (i) no contraventions of the auditor independence requirements in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.


Stanhard's Accountants and Advisors


Michael Shulman
Registered Current Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations- AA2017/45)

Date in Melbourne this 11th day of August 2023

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

Operating report for the year ended 30 June 2023

The Board presents its report on the reporting entity for the financial year ended 30 June 2023.

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 dispute 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 2023

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 2023

- 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 105.

Number of Employees

The number of persons who were at the end of the financial year, employees of the Association was 16.15 measured on a full-time equivalent basis.

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2023

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)
President	Peter Faulkner	
Deputy President/Treasurer	Amanda Murphy	
Board Member	Dale Fraser	
Board Member	Mark Garwood	
Board Member	Michelle Fenwick	
Board Member	Sean Curtain	
Board Member	Graeme Mitchell	
Board Member	Mara Richards	01/07/2022 – 22/07/2022
Board Member	Sue Race	01/07/2022 – 14/10/2022
Board Member	Mark Lawrence	
Board Member	Karen Lowe	01/07/2022 – 09/10/2022
Board Member	Adam Horsburgh	
Board Member	Ward Steet	
Board Member	Louise Vecchi	
Chief Executive Officer	Stuart McCullough	



Signature:

Amanda Murphy – Deputy President

Date: 11 August 2023

Committee of Management statement

On the 11 August 2023, 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 2023:

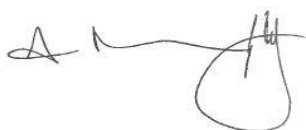
The Board declares that in its opinion:

- 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 General Manager – Fair Work Commission duly made under section 272 of the RO Act it has been provided to the member or General Manager – Fair Work Commission; 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: Ms Amanda Murphy

TITLE OF OFFICE: Deputy President



SIGNATURE:

Date: 11 August 2023

Statement of comprehensive income

for the year ended 30 June 2023

	Notes	2023 \$	2022 \$
Revenue from contracts with customers			
Membership subscription		2,863,655	2,806,081
Other sales of goods or services to members		171,900	106,119
Total revenue from contracts with customers	3	3,035,555	2,912,200
Other Income			
Investment income	3A	91,492	6,858
Rental revenue	3B	769	5,439
Other revenue	3C	153,920	9,280
Total other income		246,179	21,577
Total income		3,281,736	2,933,777
Expenses			
Employee expenses	4A	2,317,368	2,289,421
Administration expenses	4B	479,124	307,689
Depreciation and amortisation	4C	125,076	128,328
Legal costs	4D	34,264	31,819
Audit fees	12	15,000	29,692
Total expenses		2,970,832	2,786,949
Surplus for the year		310,904	146,828
Revaluation of Land		271,281	271,281
Total comprehensive income for the year		582,185	418,109

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

Statement of financial position

as at 30 June 2023

	Notes	2023 \$	2022 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	2,104,855	2,197,377
Trade and other receivables	5B	109,778	23,623
Other current assets	5C	115,378	39,510
Total current assets		2,330,011	2,260,510
Non-current Assets			
Land and buildings	6A	2,700,000	2,550,000
Plant and equipment	6A	2,366	3,545
Investment property	6B	-	120,000
Term deposit - CBA		3,500,000	3,000,000
Total non-current assets		6,202,366	5,673,545
Total assets		8,532,377	7,934,055
LIABILITIES			
Current Liabilities			
Trade payables	7A	12,218	17,251
Other payables	7B	1,705,275	1,586,542
Employee provisions	8A	443,476	560,947
Total current liabilities		2,106,969	2,164,740
Non-current Liabilities			
Employee provisions	8A	48,276	28,368
Total non-current liabilities		48,276	28,368
Total liabilities		2,209,245	2,193,108
Net assets		6,323,132	5,740,947
EQUITY			
General funds	9A	1,542,418	1,271,137
Retained earnings		4,780,714	4,469,810
Total equity		6,323,132	5,740,947

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

Statement of changes in equity

for the year ended 30 June 2023

		General funds	Retained earnings	Total equity
	Notes	\$	\$	\$
Balance as at 1 July 2021		999,856	4,322,982	5,322,838
Surplus		-	146,828	146,828
Asset Revaluation	9A	271,281	-	271,281
Closing balance as at 30 June 2022		1,271,137	4,469,810	5,740,947
Surplus			310,904	310,904
Asset Revaluation	9A	271,281	-	271,281
Closing balance as at 30 June 2023		1,542,418	4,780,714	6,323,132

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

Statement of cash flows

for the year ended 30 June 2023

		2023 \$	2022 \$
	Notes		
OPERATING ACTIVITIES			
Cash received			
Interest		10,276	-
Receipts from Members		3,527,303	2,673,722
Cash used			
Employees		2,414,931	2,305,250
Suppliers		832,554	700,654
Net cash from / (used by) operating activities	10A	290,094	(332,182)
INVESTING ACTIVITIES			
Cash Received			
Sale of Investments		120,000	-
Cash Used			
Fixed Asset Purchase		(2,616)	-
Term Deposits		(500,000)	(3,000,000)
Net increase/ (decrease) in cash held		(92,522)	(3,332,182)
Cash and cash equivalents at the beginning of the reporting period		2,197,377	5,529,559
Cash & cash equivalents at the end of the reporting period	5A	2,104,855	2,197,377

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

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Note 2	Events after the reporting period
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Note 5	Current assets
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Note 7	Current liabilities
Note 8	Provisions
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Note 14	Fair value measurement
Note 15	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

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 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.

1.3 Comparative amounts

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

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1.4 Acquisition of assets and or liabilities that do not constitute a business combination

Victorian Hospitals' Industrial Association 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 the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.5 Current versus non-current classification

Victorian Hospitals' Industrial Association presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Victorian Hospitals' Industrial Association classifies all other liabilities as non-current.

1.6 Revenue and Income

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.

1.7 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.

1.8 Borrowing costs

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

1.9 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.

1.10 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.

1.11 Financial assets

Contract assets and receivables

A contract asset is recognised when Victorian Hospitals' Industrial Association's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on Victorian Hospitals' Industrial Association's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Initial recognition and measurement

Victorian Hospitals' Industrial Association's financial assets include trade receivables and loans to related parties.

Victorian Hospitals' Industrial Association's financial assets are classified as financial assets subsequently measured at amortised cost because 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.

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset.

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Victorian Hospitals' Industrial Association initially measures a financial asset at its fair value plus transaction costs. However contract assets and trade receivables that do not contain a significant financing component are measured at the transaction price as determined in accordance with the revenue policy in Note 1.9.

Subsequent measurement

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

Derecognition

Financial assets are derecognised when the rights to receive cash flows from the asset have expired. For receivables and contract assets, Victorian Hospitals' Industrial Association directly reduces the gross carrying amount of a receivable or contract asset when it has no reasonable expectations of recovering the receivable or contract asset in its entirety or a portion thereof.

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if the Victorian Hospitals' Industrial Association currently has a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously.

Impairment

Expected credit losses (ECLs)

i. Debt instruments other than trade receivables

Victorian Hospitals' Industrial Association recognises an allowance for ECLs for all contract assets, receivables and any other financial assets measured at amortisation cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the reporting unit expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ii. Trade receivables and contract assets

For trade receivables that do not have a significant financing component, Victorian Hospitals' Industrial Association applies a simplified approach in calculating ECLs. Therefore, 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 [reporting unit] 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.

1.16 Financial Liabilities

Initial recognition and measurement

Victorian Hospitals' Industrial Association's financial liabilities include trade and other payables, interest-bearing loans and borrowings.

Victorian Hospitals' Industrial Association's financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

These financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement

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.

1.13 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.

1.14 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 as other comprehensive income under the heading of asset revaluation. 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:

	2023	2022
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.

1.15 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.

1.16 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:

	2023	2022
Intangibles	4 years	4 years

1.17 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.

1.18 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.

1.19 Taxation

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.

1.20 Fair value measurement

Victorian Hospitals' Industrial Association measures non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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 [reporting unit]. 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.

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, 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.

Note 2 Events after the reporting period

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of Victorian Hospitals' Industrial Association, the results of those operations, or the state of affairs of Victorian Hospitals' Industrial Association in subsequent financial periods.

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

Note 3 Revenue and 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.

	2023 \$	2022 \$
Type of customer		
Members	3,035,555	2,912,200
Total revenue from contracts with customers	<u>3,035,555</u>	<u>2,912,200</u>

Note 3A: Investment income

Interest on Deposits	91,492	6,858
Total investment income	<u>91,492</u>	<u>6,858</u>

Note 3B: Rental income

Properties	769	5,439
Total rental income	<u>769</u>	<u>5,439</u>

Note 3C: Other revenue

Rebilled Expenses	153,920	9,280
Total other revenue	<u>153,920</u>	<u>9,280</u>

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

2023	2022
\$	\$

Note 4 Expenses

Note 4A: Employee expenses

Employees other than office holders:

Wages and salaries	2,115,835	2,095,708
Superannuation	205,917	195,938
Leave and other entitlements	(26,988)	(15,829)
Separation and redundancies	12,003	-
Other employee expenses	10,601	13,604
Subtotal employee expenses employees other than office holders	2,317,368	2,289,421
Total employee expenses	2,317,368	2,289,421

Note 4B: Administration expenses

Contractors/consultants	25,857	36,050
Property expenses	27,887	28,235
Office expenses	53,590	49,337
Information communications technology	30,091	29,157
Other	341,699	164,910
Total administration expense	479,124	307,689

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2023	2022
	\$	\$

Note 4C: Depreciation and amortisation

Depreciation		
Land & buildings	121,280	121,280
Property, plant and equipment	3,796	7,048
Total depreciation	125,076	128,328

Note 4D: Legal costs

Other legal costs	34,264	31,819
Total legal costs	34,264	31,819

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2023	2022
	\$	\$

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	2,104,855	2,197,377
Total Cash and cash equivalents	2,104,855	2,197,377

Note 5B: Trade and other receivables

Trade receivables	96,542	14,671
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Other receivables:

GST receivable	13,236	8,952
Total other receivables	13,236	8,952
Total trade and other receivables (net)	109,778	23,623

Note 5C: Other Current Assets

Accrued interest	88,074	6,858
Payments	27,304	32,652
Total Other Current Assets	115,378	39,510

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

Note 6A: Property, Plant and Equipment

2023

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Property, Plant and Equipment:				
carrying amount	1,803,420	1,933,360	49,067	3,785,847
accumulated depreciation	-	(1,036,782)	(46,701)	(1,083,483)
Total Property, Plant and Equipment	1,803,420	896,580	2,366	2,702,366

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

Net book value 30 June 2022	1,532,140	1,017,860	3,545	2,553,545
Additions:				
By purchase	-	-	2,617	2,671
Revaluations	271,280		-	271,280
Impairments	-	-	-	-
Depreciation expense	-	(121,280)	(3,796)	(125,076)
Other movement				
Disposals:	-	-	-	-
Other	-	-	-	-
Net book value 30 June 2023	1,803,420	896,580	2,366	2,702,366
Net book value as of 30 June 2023 represented by:				
Gross book value	1,803,420	1,933,360	49,067	3,785,847
Accumulated depreciation and impairment	-	(1,036,782)	(46,701)	(1,083,483)
Net book value 30 June 2023	1,803,420	896,580	2,366	2,702,366

Independent valuation on 2 May 2023, conducted by JACX Property adopting an open market fair value basis.

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

Note 6 Non-current Assets

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

2022

	Land \$	Buildings \$	Plant and Equipment \$	Total \$
Property, Plant and Equipment:				
carrying amount	1,532,140	1,933,360	100,586	3,566,086
accumulated depreciation	-	(915,500)	(97,041)	(1,012,541)
Total Property, Plant and Equipment	1,532,140	1,017,860	3,545	2,553,545

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

Net book value 30 June 2021	1,260,860	1,139,140	10,593	2,410,593
Additions:				
By purchase	-	-	-	-
Revaluations	271,280	-	-	271,280
Impairments	-	-	-	-
Depreciation expense	-	(121,280)	(7,048)	(128,328)
Other movement	-	-	-	-
Disposals:				
Other	-	-	-	-
Net book value 30 June 2022	1,532,140	1,017,860	3,545	2,553,545
Net book value as of 30 June 2022 represented by:				
Gross book value	1,532,140	1,933,360	100,586	3,566,086
Accumulated depreciation and impairment	-	(915,500)	(97,041)	(1,012,541)
Net book value 30 June 2022	1,532,140	1,017,860	3,545	2,553,545

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2023	2022
	\$	\$
Note 6B: Investment property		
Opening balance as at 1 July	120,000	120,000
Additions	-	-
Disposals	(120,000)	-
Net gain from fair value adjustment	-	-
Closing balance as at 30 June	-	120,000

Rental income earned and received from the investment property during the year was [\$769] (2022: [\$5,439]).

Direct expenses incurred in relation to the investment property that generated rental income during the year was (\$2,272) (2022: [\$5,713]). 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

2023	2022
\$	\$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	12,218	17,251
Subtotal trade creditors	12,218	17,251
 Total trade payables	 12,218	 17,251

Settlement is usually made within 30 days.

Note 7B: Other payables

Prepayments received/unearned revenue	1,630,637	1,537,424
GST payable	10,949	2,914
Other	63,689	46,204
Total other payables	1,705,275	1,586,542
 Total other payables are expected to be settled in:		
No more than 12 months	1,705,275	1,586,542
More than 12 months	-	-
Total other payables	1,705,275	1,586,542

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

2023	2022
\$	\$

Note 8 Provisions

Note 8A: Employee provisions

Employees other than office holders:

Annual leave	170,732	221,166
Long service leave	321,020	368,149
<i>Subtotal employee provisions—employees other than office holders</i>	491,752	589,315
Total employee provisions	491,752	589,315
Current	443,476	560,947
Non-current	48,276	28,368
<i>Total employee provisions</i>	491,752	589,315

Note 9 Equity

Note 9A: General funds

Asset Revaluation Reserve

<u>Balance as at start of year</u>	<u>1,271,137</u>	<u>999,856</u>
<u>Transferred to reserve</u>	<u>271,281</u>	<u>271,281</u>
<u>Transferred out of reserve</u>	-	-
<u>Balance as at end of year</u>	<u>1,542,418</u>	<u>1,271,137</u>
<u>Total reserves</u>	<u>1,542,418</u>	<u>1,271,137</u>

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

<u>2023</u>	<u>2022</u>
\$	\$

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:

<u>Cash flow statement</u>	<u>2,104,855</u>	<u>2,197,377</u>
Balance sheet	2,104,855	2,197,377
Difference	<u>-</u>	<u>-</u>

Reconciliation of surplus to net cash from operating activities:

Surplus for the year	310,904	146,828
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Adjustments for non-cash items

Depreciation / amortisation	125,076	128,328
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Changes in assets / liabilities

(Increase) / decrease in net receivables	(86,155)	4,491
(Increase) / decrease in other assets	(75,868)	6,376
Increase / (decrease) in supplier payables	(5,033)	(24,177)
Increase / (decrease) in other payables	118,733	(578,199)
Increase / (decrease) in employee provisions	(97,563)	(15,829)
Net cash from / (used by) operating activities	<u>290,094</u>	<u>(332,182)</u>

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

	2023	2022
	\$	\$

Note 11 Related Party Disclosures

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

Short-term employee benefits

Salary (including annual leave taken)	498,087	495,125
Annual leave accrued	(11,153)	(7,941)
Total short-term employee benefits	486,934	487,184

Post-employment benefits:

Superannuation	45,437	42,888
Total post-employment benefits	45,437	42,888

Other long-term benefits:

Long-service leave	5,020	10,367
Total other long-term benefits	5,020	10,367

Termination benefits

Total	537,391	540,439
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Note 12 Remuneration of Auditors

Value of the services provided

Taxation and Accounting Advice	-	9,200
Financial statement audit services	15,000	20,492
Total remuneration of auditors	15,000	29,692

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

Note 13 Financial Instruments

Victorian Hospitals' Industrial Association has financial instruments that are cash or cash equivalents, trade receivables, trade and some other payables and interest-bearing loans that are carried at amortised cost.

	2023	2022
	\$	\$

Note 13A: Categories of Financial Instruments

Financial assets

At amortised cost:

Cash and Cash equivalents	2,104,840	2,197,377
Total	2,104,840	2,197,377
Carrying amount of financial assets	2,104,840	2,197,377

Financial liabilities

At amortised cost:

Accounts Payable	12,218	17,251
Total	12,218	17,251
Carrying amount of financial liabilities	12,218	17,251

Note 13B: Net income and expense from financial assets

Financial assets at amortised cost

Interest revenue	91,492	6,858
Net income from financial assets	91,492	6,858

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

Note 13C: Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. Victorian Hospitals' Industrial Association is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits held with banks. Set out below is the information about the credit risk exposure on trade receivables and contract assets using a provision matrix:

	Trade receivables and contract assets					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
30 June 2023						
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-
30 June 2022						
Expected credit loss rate	-%	-%	-%	-%	-%	
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

Victorian Hospitals' Industrial Association's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2023 and 2022 is the carrying amounts as illustrated above.

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 2023

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Accounts Payable	-	12,218	-	-	-	12,218
Total	-	12,218	-	-	-	12,218

Contractual maturities for financial liabilities 2022

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Accounts Payable	-	17,251	-	-	-	17,251
Total	-	17,251	-	-	-	17,251

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

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 2023 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 2023 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 2023 \$	Fair value 2023 \$	Carrying amount 2022 \$	Fair value 2022 \$
Financial assets				
Cash and Cash Equivalents	2,104,844	2,104,855	2,197,377	2,197,377
Trade Receivables	96,542	96,542	14,671	14,671
Other Receivables	13,236	13,236	8,952	8,952
Total	2,221,000	2,221,000	2,221,000	2,221,000
Financial liabilities				
Trade Payables	12,218	12,218	17,251	17,251
Total	12,218	12,218	17,251	17,251

VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

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 General Manager – Fair Work Commission, 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, Amanda Murphy 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 2023.

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 litigation or 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 (employees other than office holders)
- have a liability for other employment provisions (employees other than office holders)
- No recovery of wages activity has been undertaken

Deputy President: Amanda Murphy



Dated: 11 August 2023

Independent Audit Report



INDEPENDENT AUDIT REPORT

To the Members of Victorian Hospital's Industrial Association

Report on the Audit of the Financial Report

Auditor's Opinion

We have audited the accompanying general purpose financial report of the Victorian Hospital's Industrial Association, which comprises the Statement of Financial Position as at 30 June, 2023, and the Statement of Profit and Loss and Other Comprehensive Income, Statement of Cash Flows, Statement of Changes in Equity for the year then ended, a summary of significant accounting policies, other explanatory notes, the Committee of Management Statement, the Subsection 255(2A) report and the Officer Declaration Statement.

In our opinion under the *Fair Work (Registered Organisations) Act 2009*, the general purpose financial report is presented fairly in accordance with any of the following that apply in relation to the reporting unit:

- a) Australian Accounting Standards, and Australian Accounting Interpretations;
- 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).

In our opinion, there were kept by the Organisation satisfactory accounting records detailing the source and nature of all income and the nature of all expenditure.

As part of our audit of the Organisation for the year ended 30 June 2023, we are of the opinion that the Committee of Management's use of the going concern basis of accounting in the preparation of its financial statements is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibility under those standards is further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Victorian Hospital's Industrial Association in accordance with the independence requirements of 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 responsibilities in accordance with the Code.

We confirm that the independence declaration by which has been given to the Committee of Management, would be in the same terms if given to the Committee as at the time of this auditor's report.

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

**INDEPENDENT AUDIT REPORT
(Cont'd)**

Committee of Management Responsibility for the Financial Report

The Committee of Management is responsible for the preparation and fair presentation of the financial report 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 Victorian Hospital's Industrial Association'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 Victorian Hospital's Industrial Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Victorian Hospital's Industrial Association's financial reporting process.

Auditor's Responsibilities 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 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 auditing 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 Victorian Hospital's Industrial Association'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 Victorian Hospital's Industrial Association'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 Victorian Hospital's Industrial Association 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 business activities within the Victorian Hospital's Industrial Association to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Victorian Hospital's Industrial Association audit. We remain solely responsible for our audit opinion.

**INDEPENDENT AUDIT REPORT
(Cont'd)**

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.

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, related safeguards.

From the matters communicated with the Committee of Management, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We can describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

No revenue has been derived from undertaking recovery of wages activity during the 2023 Financial Year.

I declare that I am an auditor registered under the RO Act.



Stannards Accountants and Advisors



Michael Shulman
Registered Current Company Auditor (163888)
Holder of Current Public Practice Certificate
Approved Auditor (FWC Act and Regulations- AA2017/45)

Dated: 11/8/2023