

**VICTORIAN HOSPITALS'  
INDUSTRIAL ASSOCIATION**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 JUNE 2013**

## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

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# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
Revenue	2	4,985,844	4,693,655
Employee benefits expense to employees	4	(2,677,117)	(2,330,828)
Depreciation and amortisation expenses	20	(71,290)	(81,532)
Finance costs	3	(1,161)	(2,191)
Other expenses	3	(1,963,820)	(1,961,661)
<b>Comprehensive Result – Surplus/(Deficit)</b>		<b>272,456</b>	<b>317,443</b>
<b>Net Result attributable to members of the Association</b>		<b>272,456</b>	<b>317,443</b>

The accompanying notes form part of these financial statements.

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	6	1,695,587	1,597,560
Trade receivables	7	277,655	412,944
Other receivables	7	151,880	7,813
Other current assets	8	372,444	21,883
<b>TOTAL CURRENT ASSETS</b>		<u>2,497,566</u>	<u>2,040,200</u>
<b>NON-CURRENT ASSETS</b>			
Investment property at fair value	9	805,000	812,000
Investments in associated entities	17	3	235,987
Property, plant and equipment	10	177,961	181,684
Intangible Assets	11	164,999	-
<b>TOTAL NON-CURRENT ASSETS</b>		<u>1,147,963</u>	<u>1,229,671</u>
<b>TOTAL ASSETS</b>		<u>3,645,529</u>	<u>3,269,871</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	12	1,212,417	1,206,254
Provisions	13	635,855	564,528
<b>TOTAL CURRENT LIABILITIES</b>		<u>1,848,272</u>	<u>1,770,782</u>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	13	36,936	11,224
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u>36,936</u>	<u>11,224</u>
<b>TOTAL LIABILITIES</b>		<u>1,885,208</u>	<u>1,782,006</u>
<b>NET ASSETS</b>		<u>1,760,321</u>	<u>1,487,865</u>
<b>EQUITY</b>			
Accumulated surplus		1,760,321	1,487,865
<b>TOTAL EQUITY</b>		<u>1,760,321</u>	<u>1,487,865</u>

The accompanying notes form part of these financial statements.



## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### STATEMENT OF CHANGES IN EQUITY

AS AT 30 JUNE 2013

	Retained Earnings	Total
	\$	\$
<b>Balance at 1 July 2011</b>	1,170,422	1,170,422
Comprehensive result for 2011-12	317,443	317,443
<b>Balance at 30 JUNE 2012</b>	1,487,865	1,487,865
Comprehensive result for 2012-13	272,456	272,456
<b>Balance at 30 JUNE 2013</b>	1,760,321	1,760,321

The accompanying notes form part of these financial statements.

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
Receipts from members		4,842,971	4,391,499
Payments to suppliers and employees		(4,621,457)	(4,044,709)
Dividends received		-	10,500
Interest received		78,996	81,481
<b>Net cash (used in)/provided by operating activities</b>	<b>19(b)</b>	<u>300,510</u>	<u>438,771</u>
<b>Cash flows from investing activities</b>			
Payments for property, plant and equipment		(500,566)	(47,185)
Proceeds Sale of Shares in health legal		298,083	-
Payment for Investment property		-	(131,821)
Proceeds from sales of motor vehicles		-	26,178
<b>Net cash generated from (used in) investing activities</b>		<u>(202,483)</u>	<u>(152,828)</u>
<b>Cash flows from financing activities</b>			
Proceeds/(Payments) from borrowings		-	-
<b>Net cash used in financing activities</b>		<u>-</u>	<u>-</u>
Net Increase/(decrease) in cash held		98,027	285,943
Cash at the beginning of the year		1,597,560	1,311,617
<b>Cash at the end of the year</b>	<b>19(a)</b>	<u>1,695,587</u>	<u>1,597,560</u>

The accompanying notes form part of these financial statements.

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Australian Accounting Interpretations other authoritative pronouncements of the Australian Accounting Standards Board and the requirements of The Fair Work (Registered Organisations) Act 2009.

This financial report covers Victorian Hospitals' Industrial Association as an individual entity. Victorian Hospitals' Industrial Association is an Association incorporated under The Fair Work (Registered Organisations) Act 2009.

The following is a summary of the material accounting policies adopted by the Association in the preparation of this financial report. The accounting policies have been applied consistently over time, unless otherwise stated.

#### **Basis of Preparation**

##### *Reporting Basis and Conventions*

The financial report has been prepared on an accrual basis using historical costs modified by the evaluation of selected non-current assets, and financial assets and financial liabilities for which the fair value basis of accounting has been applied.

#### **Accounting Policies**

##### **(a) Income Tax**

Victorian Hospitals' Industrials Association is an entity whose income is exempt from income tax under section 50-15, Item 3.1(b) of the Income Tax Assessment Act (1997) (as amended).

##### **(b) Property, Plant and Equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment losses.

#### **Plant and Equipment**

Plant and equipment are measured on the cost basis less depreciation and impairment losses.

The carrying amount of plant and equipment is reviewed annually by the Board of Management's Finance Committee to ensure it is not in excess of the recoverable amount from these assets.

Costs of construction and/or installation are included in a non-current asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably.

Assets valued at less than \$1500 are expensed at the time of purchase.

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (b) Property, Plant and Equipment (continued)

All other costs of work done on a non-current asset are treated as repairs and maintenance or other specific operating costs, which are included in the operating statement for the reporting period in which they are incurred.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation reserve in equity. Decreases that offset previous increases for the same asset are charged directly against the revaluation reserve in equity; all other decreases are charged to the operating statement.

##### Depreciation

The depreciable amount of plant and equipment, motor vehicles and lease hold improvements, including buildings and capitalised lease assets, are depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements. Furniture and office equipment are depreciated on a diminishing value basis.

The depreciation rate and useful life in years used for each class of depreciable asset are:

<i>Class of Fixed Asset:</i>	<i>Depreciable Rate</i>
Leasehold improvements	20%
Plant and equipment	20%
Motor vehicles	20%-25%
Computer equipment and mobile phones	50%
Furniture and fittings	20%

The assets' residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement. When revalued assets are sold, amounts included in the revaluation relating to that asset are transferred to retained earnings.

##### (c) Intangible Assets

Intangible assets represent identifiable non-monetary assets without physical substance such as computer software and development costs.

Intangible assets are initially recognised at cost. Subsequently, intangible assets with finite useful lives are carried at cost less accumulated amortisation and accumulated impairment losses. Costs incurred subsequent to initial acquisition are capitalised when it is expected that additional future economic benefits will flow to the Association.



## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **(c) Intangible Assets (continued)**

Expenditure on research activities is recognised as an expense in the period on which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following are demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- an intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

##### **(d) Financial Assets**

###### **Recognition**

Financial instruments are initially measured at cost on the trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below:

###### **Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables are stated at fair value and loans are measured at amortised cost using the effective interest rate method.

###### **Financial liabilities**

Non-derivative financial liabilities for loans are recognised at amortised cost, comprising original debt less principal payments and amortisation up to the reporting date. Financial liabilities for trade and other payables are measured at fair value, which is usually the contracted amount of the debt.

###### **Derivative instruments**

The Association's policy is not to acquire or dispose of any derivative financial instruments.

###### **Fair value**

Fair value is determined based on contracted prices for receivables, payables and loans. At the reporting date, unlisted equity investments were valued at fair value, in the light of the minority nature of the holdings.

###### **Impairment**

At each reporting date, the Association assesses whether there is objective evidence that a financial instrument has been impaired. In the case of accounts receivable and loans the prospects of on-time collection are evaluated and an allowance is made for impairment if required. Impairment losses are recognised in the operating statement.

## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **(e) Impairment of assets**

At each reporting date, the Association reviews the carrying values of its assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the income statement.

Where it is not possible to estimate the recoverable amount of an individual asset reliably from market data, the Association estimates the recoverable amount of the cash-generating unit to which the asset belongs.

##### **(f) Employee Benefits**

Provision is made for the Association's liability for employee benefits arising from services rendered by employees up to the reporting date. Employee benefits, that are expected to be settled within one year, have been measured at the amounts expected to be paid when the liability is settled, plus related on-costs.

##### **(g) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of up to three months. The bank overdraft is shown within financial liabilities and in current liabilities on the balance sheet.

##### **(h) Revenue**

Membership revenue is recognised over the membership year to which it relates. Membership received in advance is recognised as deferred income as a current liability.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Dividend revenue is recognised when the right to receive a dividend has been confirmed.

Revenue from the rendering of a service is recognised upon the delivery of the service to the member or other recipient.

Revenue from the Association's rental property is recognised when the Association has a right to receive the rent in accordance with the lease agreement.

All revenue is stated net of Goods and Services Tax ('GST').

##### **(i) 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. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.



## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **(j) Going Concern Assumption**

The carrying amounts of the Association's assets and liabilities in this financial report are based on the continuing operation of the Association in accordance with its Rules. The Board has chosen to adopt the going concern assumption to underpin the carrying amounts in this report on the basis of strong net cash inflows from operations, positive budgeted results for and major strengthening of previous accounting systems and financial management skills available.

##### **(k) Critical accounting estimates and adjustments**

Board members evaluate estimates and judgements incorporated into the financial report based on historical knowledge, experience and the best available current information. Estimates rely on expert advice, assume reasonable forecasts of future events and are based on current trends and economic data, obtained both externally and within the Association.

##### **(l) Borrowing Costs**

Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs include interest on bank overdrafts.

##### **(m) Comparative Figures**

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

##### **(n) Investment in Associates**

At the reporting date, the Association held shares in associated entities. Where the Board has determined that the shareholdings constitutes significant influence in any of the entities the investments in associates are accounted for in the financial statements by applying the equity method of accounting, where by the investment is initially recorded at the cost of acquisition and is adjusted in thereafter for post acquisition changes in VHIA's share of the net assets of the associate entity. VHIA's share of the financial result of the entity is recognised in the Income Statement. Where the Board has determined that the shareholdings do not constitute significant influence in any of the entities (as the Board considers that they do not have the power to participate in the financial and operating policy decisions of the investees) the shares are valued at cost at the date of allotment to the Association. Details of the interest in the associated entities are shown in Note 17.



## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013**

#### **1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

##### **(o) Investment Properties**

Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met, and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are measured at fair value, which is based on active market prices, adjusted if necessary, for any difference in the nature, location or condition of the specific asset at the reporting date. Gains or losses arising from changes in the fair values of investment properties are recognised in profit or loss in the year in which they arise.

Investment properties are de-recognised either when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation, commencement of an operating lease to another party or ending of construction or development. Transfers are made from investment property when, and only when, there is a change in use, evidenced by commencement of owner-occupation or commencement of development with a view to sale.

##### **(p) Additional disclosure requirements under FairWork Commission reporting guidelines**

###### **(i) Going concern**

VHIA's ability to continue as a going concern is not reliant on financial support to or from another reporting unit.

###### **(ii) Statement of Financial Position**

VHIA does not have an item or a part of an item in the statement of financial position that has been derived as a result of one or more transactions and/ or past events with another reporting unit of the organisation.

VHIA does not have payables to employers as consideration for the employers making payroll deductions of membership subscriptions or in respect of legal costs and other expenses related to litigation or other legal matters.

There are no employee provisions in respect of holders of offices in VHIA.

###### **(iii) Statement of Cash flows**

No other reporting unit and/or controlled entity of the organization is the source of a cash inflow or the application of a cash outflow for VHIA.

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

#### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

##### (q) New Accounting Standards for Application in Future Periods

The AASB has issued new and amended Accounting Standards and Interpretations that have mandatory application dates for future periods and which the Association has decided not to early adopt. A discussion of those future requirements and their impact on the Association is as follows:

• *AASB 9: Financial Instruments and AASB 2010-11: Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 136, 139, 1023 & 1038 AND Interpretations 10 & 12] (applicable for annual reporting periods commencing on or after 1 January 2013)*

These standards are applicable retrospectively and amend the classification and measurement of financial assets. The Association has not yet determined any potential impact on the financial statements.

Certain new accounting standards and interpretations have been published that are not mandatory for the 30 June 2013 reporting period. As at 30 June 2013, the following standards and interpretations had been issued but were not mandatory for the reporting period ending 30 June 2013. The Association has not and does not intend to adopt these standards early.

The Association does not anticipate early adoption of any of the above Australian Accounting Standards.

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on financial statements</i>
<i>AASB 9 Financial Instruments, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) and AASB 2012-6 Amendments to Australian Accounting Standards - Mandatory Effective Date of AASB 9 and Transition Disclosures</i>	AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. The derecognition rules have been transferred from AASB 139 Financial Instruments: Recognition and Measurement and have not been changed. VHIA has not yet decided when to adopt AASB 9.	Beginning 1 January 2013	VHIA has assessed there is little likelihood of a material change in the measurement or disclosure of financial instruments.
<i>AASB 13 Fair Value Measurement and AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13</i>	This Standard outlines the requirements for measuring the fair value of assets and liabilities and replaces the existing fair value definition and guidance in other AASs. AASB 13 includes a 'fair value hierarchy' which ranks the valuation technique inputs into three levels using unadjusted quoted prices in active markets for identical assets or liabilities; other observable inputs;	Beginning 1 January 2013	Disclosure for fair value measurements using unobservable inputs are relatively onerous compared to disclosure for fair value measurements using observable inputs. Consequently, the Standard may increase the disclosures for entities that have assets measured using depreciated replacement cost. VHIA does not currently use these this valuation methodology.



# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (q) New Accounting Standards for Application in Future Periods (continued)

<i>Standard / Interpretation</i>	<i>Summary</i>	<i>Applicable for annual reporting periods beginning on</i>	<i>Impact on financial statements</i>
	and unobservable inputs. In particular, AASB 2011-8 replaces the existing definition and guidance of fair value measurements in other Australian Accounting Standards and Interpretations.		
AASB 2009-11 <i>Amendments to Australian Accounting Standards arising from AASB 9</i> [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	This Standard gives effect to consequential changes arising from issuance of AASB 9.	Beginning 1 January 2013	VHIA has assessed there is little likelihood of a material change in the measurement or disclosure of financial instruments.
AASB 2011-4 <i>Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements</i> [AASB 124]	This Standard amends AASB 124 <i>Related Party Disclosures</i> by removing the disclosure requirements in AASB 124 in relation to individual key management personnel (KMP).	Beginning 1 July 2013	No significant impact is expected from these consequential amendments on VHIA reporting.
AASB 2011-10 <i>Amendments to Australian Accounting Standards arising from AASB 119</i> (September 2011) [AASB 1, AASB 8, AASB 101, AASB 124, AASB 134, AASB 1049 & AASB 2011-8 and Interpretation 14]	This Standard makes consequential changes to a range of other Australian Accounting Standards and Interpretation arising from the issuance of AASB 119 <i>Employee Benefits</i> .	Beginning 1 January 2013	No significant impact is expected from these consequential amendments on VHIA reporting.
AASB 2012-3 <i>Amendments to Australian Accounting Standard - Offsetting Financial Assets and Financial Liabilities</i>	This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.	Beginning 1 January 2014	VHIA does not plan to adopt these standards until their effective date. As such, this amendment will not be adopted until the year ended 30 June 2016.

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>2. REVENUE</b>			
Membership fees		2,768,211	2,728,660
Consultancy fees		1,189,193	1,006,573
Training fees		525,628	627,049
Rental revenue		67,864	82,576
Recovery of costs incurred on behalf of others		44,600	27,111
Dividends received		-	10,500
Interest received		78,996	81,481
Net fair gain/(loss) on investment property		(7,000)	(33,921)
Gain on disposal of investment in Associate		212,099	-
Share of retained profits in associate accounted for by the equity method		-	91,207
Other income		106,253	72,419
Capitation fees		-	-
Donations or grants		-	-
Compulsory Levies		-	-
Financial Support from another reporting unit		-	-
<b>Total Revenue</b>		<u>4,985,844</u>	<u>4,693,655</u>
<b>3. OPERATING SURPLUS/DEFICIT</b>			
External Finance costs:		<u>1,161</u>	<u>2,191</u>
		<u>1,161</u>	<u>2,191</u>
Bad and doubtful debts		2,192	(1,576)
Net (Profit)/Loss - disposal non-current assets:			
Property, plant and equipment		(9,727)	2,088
Audit fees	5	19,800	25,040
Payroll tax		121,149	88,039
Legal fees		43,780	8,110
Equipment leasing		23,648	22,036
Motor vehicle expenses		47,225	32,150
Marketing and promotion		18,988	38,337
Repairs and maintenance		6,121	11,480
Consultants		833,543	872,330
Rent		214,117	203,827
Cleaning		34,592	35,068
Catering		19,061	20,942
Printing and stationary		50,772	59,064
Electricity		22,203	20,117
Travel		105,577	108,458
Investment property expenses		13,628	16,504
Agency staff		18,254	58,331

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>3. OPERATING SURPLUS/DEFICIT (CONTINUED)</b>			
Telephone		75,792	53,446
Fees incurred as consideration for employer payroll deductions of membership subscriptions		-	-
Capitation fees		-	-
Compulsory Levies, fees and/or allowances paid to persons in respect to their attendance at conferences or other meetings		-	-
Grants and donations		-	-
Expenses incurred with holding meeting of members or any conferences or meeting of councils, committees, panels or other bodies		-	-
Penalties imposed on the organization under the RO Act with respect to the conduct of VHIA		-	-
Affiliation fees		-	-
Other		303,105	287,870
		<u>1,963,820</u>	<u>1,961,661</u>
<b>4. EMPLOYEE BENEFITS</b>			
Wages and salaries		2,282,095	1,979,118
Superannuation		212,261	186,802
Leave and other entitlements		154,353	152,812
Separation and redundancy		17,144	-
Other employee expenses		11,264	12,096
		<u>2,677,117</u>	<u>2,330,828</u>
No employee benefits paid in respect to holders of office.			
<b>5. AUDITOR'S REMUNERATION</b>			
<i>Audit services</i>		19,800	25,040
<i>Other services</i>		-	-
		<u>19,800</u>	<u>25,040</u>



# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>6. CASH AND CASH EQUIVALENTS</b>			
Petty cash	11	11	
Cash at bank - National Australia Bank Ltd	15,990	8,764	
Cash at bank - Commonwealth Bank of Australia Ltd	1,341,123	231,675	
Mastercard - Commonwealth Bank of Australia Ltd	10,000	9,969	
Term Deposit - Commonwealth Bank of Australia Ltd	105,544	103,000	
OnLine Saver - Commonwealth Bank of Australia Ltd	222,919	1,244,141	
		<u>1,695,587</u>	<u>1,597,560</u>
<b>7. TRADE AND OTHER RECEIVABLES</b>			
<b>Current</b>			
Trade receivables	291,461	424,558	
Less provision for doubtful debts	(13,806)	(11,614)	
	<u>277,655</u>	<u>412,944</u>	
<i>Other accounts receivable</i>			
Insurance Recoverable	-	4785	
Balance of Settlement – Sale of Investment in Associate	150,000	-	
Interest receivable	1,880	3,028	
	<u>151,880</u>	<u>7,813</u>	
<b>8. OTHER ASSETS</b>			
<b>Current</b>			
Prepaid expenses	86,444	21,883	
Deposit – Property Purchase	286,000	-	
	<u>372,444</u>	<u>21,883</u>	

A contract for the purchase of Land and Buildings at 88 Maribyrnong Street Footscray was entered into on 17 June 2013. The Deposit - Property Purchase represents the deposit paid under this contract. The total purchase price is \$1,430,000 and final settlement of the balance of 1,144,000 of the contract occurred on 13 September 2013.

## 9. INVESTMENT PROPERTY

### Non Current

150 Albert Road, South Melbourne

Opening balance	812,000	700,000
Additions	-	145,921
Net fair value gain/(loss) on investment property	(7,000)	(33,921)
Closing Balance	<u>805,000</u>	<u>812,000</u>

Investment property is carried at fair value, which has been determined based on an external independent valuation dated 3 July 2013.

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>10. PROPERTY, PLANT AND EQUIPMENT</b>			
<b>Non Current</b>			
Leasehold Improvements		103,168	103,168
Less accumulated amortisation		<u>(73,974)</u>	<u>(61,463)</u>
		29,194	41,705
<b>Total leasehold improvements</b>		<u>29,194</u>	<u>41,705</u>
 Plant and equipment		 48,220	 21,500
Less accumulated depreciation		<u>(18,757)</u>	<u>(12,809)</u>
		29,463	8,691
 Furniture and Fittings		 43,801	 43,801
Less accumulated depreciation		<u>(31,050)</u>	<u>(25,585)</u>
		12,751	18,216
 Motor vehicles		 200,205	 203,172
Less accumulated depreciation		<u>(101,734)</u>	<u>(90,166)</u>
		98,471	113,006
 Computer equipment and software		 19,058	 10,976
Less accumulated depreciation		<u>(10,976)</u>	<u>(10,910)</u>
		8,082	66
<b>Total plant and equipment</b>		<u>148,767</u>	<u>139,979</u>
<b>Total property, plant and equipment</b>		<u>177,961</u>	<u>181,684</u>

### Movements in carrying amounts:

For disclosure of the movements in these carrying amounts please refer to Note 19 later in this financial report.



# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>11. INTANGIBLES</b>			
<b>Non Current</b>			
Software –at cost		164,999	-
Less accumulated amortisation		-	-
		<u>164,999</u>	<u>-</u>
Opening balance		-	-
Additions		164,999	-
Closing balance		<u>164,999</u>	<u>-</u>
<b>12. TRADE AND OTHER PAYABLES</b>			
<b>Current</b>			
Trade creditors		152,914	173,342
Accrued expenses		57,611	29,435
Fringe benefits liabilities		14,316	11,746
Rent concession		25,725	46,305
Income invoiced in advance		96,188	85,997
Members' fees received in advance		865,663	859,429
		<u>1,212,417</u>	<u>1,206,254</u>
<b>13. PROVISIONS</b>			
<b>Current (i)</b>			
Employee Benefits Provisions other than officers			
- Unconditional and expected to be settled within 12 months		256,116	230,622
- Unconditional and expected to be settled after 12 months		379,739	333,906
		<u>635,855</u>	<u>564,528</u>
<b>Non-current (ii)</b>			
Conditional Employee Benefits entitlements		36,936	11,224
		<u>672,791</u>	<u>575,752</u>

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>13. PROVISIONS (CONTINUED)</b>			
<b>Provision for annual leave:</b>			
Balance at the beginning of the year		309,399	238,838
Change in provision for the current year		44,923	70,561
Balance at the end of the year		<u>354,322</u>	<u>309,399</u>
<b>Provision for long service leave:</b>			
Balance at the beginning of the year		266,353	238,950
Movement in provision raised for the current year		52,116	27,403
Balance at the end of the year		<u>318,469</u>	<u>266,353</u>

### 14. OPERATING LEASES

#### Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements

Payable - minimum lease payments:

- not later than 12 months	246,641	258,753
- between 12 months and 5 years	62,922	313,111
- greater than 5 years		
	<u>309,563</u>	<u>571,864</u>

The property lease is a non-cancellable lease with a five-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by the lower of CPI or 4% per annum. An option exists to renew the lease at the end of the five-year term for an additional term of five years.

Telstra holds a charge over the phone system.

### 15. Related Party Disclosure

#### Note 15A. Related Party Transactions for the Reporting Period

There were no related party transactions during the reporting period.

#### Note 15B. Key Management Personnel Remuneration for the Reporting Period

Alexander Djoneff Robert Bell

The aggregate compensation made to key management personnel of the Association is set out below:

Short term employee benefits	406,304	385,592
Post-employment benefits	34,040	31,821
Other long term employee benefits	18,105	12,222
Termination benefits	-	-
Any share based payments	-	-
Total	<u>458,449</u>	<u>429,635</u>

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 16. FINANCIAL INSTRUMENTS

#### (a) Financial Risk Management

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 2013.

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.

Categorisation of financial instruments		Carrying Amount 2013	Carrying Amount 2012
	Note(s)		
<b>Financial assets</b>			
Cash and cash equivalents	6 and 19	1,695,587	1,597,560
Accounts receivable - measured at fair value	7	277,655	412,944
Loans - measured at fair value	7	-	-
Sundry receivable	7	151,880	7,813
Equity investments in unlisted securities - at cost	17	3	235,987
<b>Financial liabilities</b>			
Accounts payable - measured at fair value	12	1,194,417	1,206,254



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

16. FINANCIAL INSTRUMENTS (Continued)

(b) Interest Rate Risk

The Authority'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:

	Weighted Average Effective Interest Rate		Interest Bearing		Non-Interest Bearing		Total	
	2013 %	2012 %	2013 \$	2012 \$	2013 \$	2012 \$	2013 \$	2012 \$
Financial Assets:								
Cash and cash equivalents	2.75%	3.80%	105,444	103,000	1,590,143	1,494,560	1,695,587	1,597,560
Receivables			-	-	429,535	420,757	429,535	420,757
Other financial assets								
Total Financial Assets			105,444	103,000	2,019,678	1,915,317	2,125,122	2,018,317
Financial Liabilities:								
Trade and other payables			-	-	(1,194,417)	(1,206,254)	(1,194,417)	(1,206,254)
Total Financial Liabilities			-	-	(1,194,417)	(1,206,254)	(1,194,417)	(1,206,254)

All financial liabilities are expected to be settled within 90 days. All non-cash financial assets are expected to be settled within 120 days. Cash and cash equivalents are at floating interest rates and Other financial assets are at fixed interest rates.

(c) Net Fair Values

For assets and other liabilities the net fair value approximates their carrying value. No financial assets and financial liabilities are readily traded on organised markets in standardised form. Financial assets where the carrying amount exceeds net fair values have not been written down as the Authority intends to hold these assets to maturity.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

16. FINANCIAL INSTRUMENTS (Continued)

(c) Net Fair Values (continued)

Details of aggregate net fair value and carrying amounts of financial assets and financial liabilities at balance date:

	2013		2012	
	Carrying Amount	Net Fair Value	Carrying Amount	Net Fair Value
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	1,695,587	1,695,587	1,597,560	1,597,560
Trade and other receivables	429,535	429,535	420,757	420,757
Other financial assets				
Financial liabilities				
Trade and other creditors	1,212,417	1,212,417	1,206,254	1,206,254

The Authority considers that the carrying amount of financial assets and financial liabilities recorded in the financial report to be a fair approximation of their fair values, because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

(d) Liquidity Risk

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Trade and other payables are expected to be settled as follows:

Less than 3 months

	2013	2012
	\$	\$
	1,212,417	1,206,254
	1,212,417	1,206,254

Trade and other receivables are expected to be settled as follows:

Less than 3 months

	2013	2012
	\$	\$
	429,535	420,757
	429,535	420,757

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 16. FINANCIAL INSTRUMENTS (Continued)

#### (e) Sensitivity Analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Authority believes the following movements are 'reasonably possible' over the next 12 months.

- A parallel shift of +1% and -1% in market interest rates (AUD) from year end rates of 2.75%
- A parallel shift of +1% and -1% in inflation rate from year end rates 2.4%.

The following table discloses the impact on net operating result and equity for each category of financial instrument held by the Authority at year end as presented to key management personnel, if changes in risk occur.

2013 Financial Assets	Carrying Amount \$	Interest Rate Risk			
		-1% Profit \$	-1% Equity \$	+1% Profit \$	+1% Equity \$
Cash and Cash Equivalents	1,695,587	(16,956)	(16,956)	16,956	15,956
Other financial assets	429,535	(4,295)	(4,295)	4,295	4,295
<b>2012 Financial Assets</b>					
Cash and Cash Equivalents	1,597,560	(15,976)	(15,976)	15,976	15,976
Other financial assets	420,757	(4,208)	(4,208)	4,208	4,208

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013	2012
<b>17. INVESTMENTS IN ASSOCIATED ENTITIES</b>			
<b>Non-Current</b>			
<b>(j) Shares at Cost</b>			
At the reporting date the shareholdings in Health Financial Pty Ltd and Workplace Legal Pty Ltd are valued at cost at the date of allotment to the Association. The shares in Health Legal Pty Ltd were valued at cost in the 2012 financial year. Refer Note 1(n).			
Health Financial Pty Ltd - 35% of the issued ordinary shares	1	1	
Workplace Legal Pty Ltd - 50% of the issued ordinary shares	2	2	
Health Legal Pty Ltd	-	-	
	<u>3</u>	<u>3</u>	
The Board has determined that the shareholdings in Health Financial Pty Ltd and Workplace Legal Pty Ltd do not constitute significant influence as the Board considers that they do not have the power to participate in the financial and operating policy decisions of the investees.			
<b>(ii) Investment in Health Legal Pty Ltd</b>			
In 2012, the Association held shares in Health Legal Pty Ltd. This was accounted for in the financial statements by applying the equity method of accounting. Refer Note 1 (n). In 2013 the Investment was disposed.			
Health Legal Pty Ltd - 35% net assets	<u>-</u>	<u>235,984</u>	
<b>(iii) Movement in carrying amount of investments</b>			
Opening Balance		235,987	144,783
Association's 35% share of net assets of Health Legal Pty Ltd recognised in the Income Statement			91,204
Disposal of Investment in Health Legal		(235,984)	
Closing Balance		<u>3</u>	<u>235,987</u>



# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

	Note	2013 \$	2012 \$
<b>18. CONTINGENT LIABILITIES - Secured</b>			
312 Kings Way, South Melbourne		103,000	103,000
The Association has an overdraft facility with the Commonwealth Bank of Australia. The facility is secured by a cash deposit equal to the amount of the facility. The total amount of the facility is :		103,000	103,000
At the reporting date, the actual liability under the facility was		-	-
Unused amount of the facility at the reporting date		103,000	103,000
<b>19. CASH FLOW INFORMATION</b>			
<b>(a) Reconciliation of Cash</b>			
Cash at the end of financial year as shown in the Statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand	11		11
Cash at bank		1,695,576	1,597,549
		1,695,587	1,597,560
<b>(b) Reconciliation of the cash flow from operations with the surplus from operations</b>			
Surplus/(Deficit) from comprehensive result		272,456	317,443
<i>Non-cash items in the surplus from comprehensive result:</i>			
Depreciation and amortisation		71,290	81,532
Loss/(gain) on revaluation of investment property		7,000	33,921
Loss/(gain) on investments		(212,099)	(91,207)
<i>Changes in Assets and Liabilities:</i>			
(Increase)/Decrease in receivables		135,289	(158,537)
(Increase)/Decrease in other assets		5,933	4,072
(Increase)/Decrease in work in progress inventory		-	-
Increase/(Decrease) in payables		(76,398)	153,583
Increase/(Decrease) in provisions		97,039	97,964
<b>Net cash (used in)/provided by operating activities</b>		300,510	438,771

# VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

### 20. MOVEMENT IN CARRYING AMOUNTS

Movements in carrying amounts for each class of property, plant and equipment are set out below for the years ended 2012 and 2013.

	Leasehold improvements \$	Plant and equipment \$	Motor vehicles \$	*Computer equipment \$	Furniture and fittings \$	Total \$
<b>Carrying amount at 30 June 2011</b>	59,580	12,416	140,292	3,899	26,022	242,209
Additions	-	-	47,185	-	-	47,185
Disposals	-	-	(26,178)	-	-	(26,178)
Depreciation expense	(17,874)	(3,725)	(48,294)	(3,833)	(7,806)	(81,532)
<b>Carrying amount at the beginning of the year</b>	41,706	8,691	113,005	66	18,216	181,684
Additions	-	26,719	32,766	8,082	-	67,567
Disposals	-	-	-	-	-	-
Depreciation expense	(12,512)	(5,947)	(47,300)	(66)	(5,465)	(71,290)
<b>Carrying amount at 30 June 2013</b>	29,194	29,463	98,471	8,082	12,751	177,961

## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **Members' access to financial records – Information to be provided to members or Registrar**

Section 272 of Part 3 of Chapter 8 of Division 7 to the Fair Work (Registered Organisations) Act 2009 provides that:

- (1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (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 reporting unit.
- (3) The reporting unit must comply with an application made under subsection (1).

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### COMMITTEE OF MANAGEMENT STATEMENT

On the 3 September 2014, the Board of the Victorian Hospitals' Industrial Association being the Committee of Management of the organisation, adopted the following resolution in relation to the general purpose financial report for the Association for the financial year ended 30 June 2013.

- (1) The Board, having been advised accordingly by the executive director in a letter dated 1 September 2014, declares in relation to the general purpose financial report that in its opinion:
- (a) the financial statements and notes comply with the Australian Accounting Standards;
  - (b) the financial statements and notes comply with the reporting guidelines of the General Manager, Fair Work Australia;
  - (c) the financial statements and notes give a true and fair view of the financial performance, financial position, and cash flows of the reporting unit for the financial year to which they relate;
  - (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
  - (e) during the financial year to which the general purpose financial report 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; and
    - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
    - (iii) the financial records of the reporting unit have been managed in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
    - (iv) the organisation has consisted of a single report unit; and
    - (v) the information sought in any request of a member of the reporting unit or the General Manager of Fair Work Australia made under Section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of Fair Work Australia; and
    - (vi) there has been compliance with any order for inspection of financial records made by Fair Work Australia under Section 273 of the Fair Work (Registered Organisations) Act 2009
  - (f) the organisation has not undertaken any recovery of wages activity.

DESIGNATED OFFICER:

TITLE OF OFFICE: President

SIGNATURE:

  
.....  
Dr Brendan Murphy

DATE:

*8th September 2014*  
.....



## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2013**

#### **Principal Activities**

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

- to represent public health sector employers in industry enterprise bargaining negotiations with relevant health industry union;
- to provide industrial advice to members in diverse industrial disputes and represent such members in proceedings in Fair Work Australia;
- to assist and advise members of their own and their employees' industrial obligations under award and certified agreements;
- to represent members in relevant negotiations and liaise with the Victorian Department of 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.

#### **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 130.

#### **Number of Employees**

The number of persons who were at the end of the financial year, employees of the Association was 17, measured on a full-time equivalent basis.

## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2013

#### MEMBERS OF THE COMMITTEE OF MANAGEMENT ('THE BOARD')

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>	Brendan Murphy	19/10/12 – 30/06/13
<b>President</b>	John Stanway	01/07/12 – 14/06/13
<b>Deputy President</b>	John Smith	
Board Member	Chris Doidge	
Board Member	Christine Fitzherbert	
Board Member	Cheyne Chalmers	
Board Member	Mark Quirk	
Board Member	Kathy Huett	
Board Member	Zoltan Kokai	
Board Member	Nigel Fidgeon	19/10/12 – 30/6/13
Board Member	Peter Faulkner	8/02/13 – 30/06/13
Board Member	Graeme Mitchell	8/02/13 – 30/06/13
Board Member	Chris Scott	01/07/12 – 19/10/12
Board Member	Ann Clark	01/07/12 – 19/10/12
Board Member	Veronica Jamison	01/07/12 – 19/10/12
<b>Chief Executive Officer</b>	Alexander Djoneff	

#### Officers & employees who are directors of a company or a member of a board

The following employees or Officers of the Association are either directors of a company or members of a board that is unrelated to their involvement with VHIA.

Name	Company or Entity	Principle Activity
Anna Pannuzzo	Advantage Financial Group Pty Ltd	Financial Services
Anna Pannuzzo	Opportunity Search Pty Ltd	Unknown
Robert Bell	Gateway Accounting Services Pty Ltd	Dormant Company
Robert Bell	Gateway Finance (VIC) Pty Ltd	Dormant Company
Robert Bell	Gateway Salary Packaging Pty Ltd	Dormant Company
Alexander Djoneff	Macedon Ranges Health Service	Providing Primary and Residential Aged Care to the local community.
Alexander Djoneff	Stokes Collection Ltd	A charitable trust operating the Forest Glades Garden and Museum at Mt Macedon
Ignatius Oostermeyer	Dutchcare Ltd	Aged Care Provider
Ignatius Oostermeyer	Carnegie Hall Pty Ltd	Unknown



## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2013

**Officers & employees who are directors of a company or a member of a board (continued)**

<b>Name</b>	<b>Company or Entity</b>	<b>Principle Activity</b>
Ignatius Oostermeyer	Revolve Salary packaging Pty Ltd –	Salary Packaging provider.
Ignatius Oostermeyer	Micare Pty Ltd	Dormant Company
Ignatius Oostermeyer	In The Black salary Packaging & Car Leasing Service Pty Ltd	Salary Packaging provider
Ignatius Oostermeyer	Kerang Medical Clinic Pty Ltd	Medical Clinic
Ignatius Oostermeyer	Management Support On Line Pty Ltd	Unknown
Ignatius Oostermeyer	Aboriginal Torres Strait Islander Super Pty Ltd	Salary packaging provider
Gary Ralfs	Apt Consulting Group Pty Ltd	Learning and Development.
Andrew Freeman	Eworks	To work with community members to obtain employment, particularly people with a disability, indigenous and the disadvantaged.
Nigel Fidgeon	Inner North West Melbourne Medicare Local	Local issues and upcoming events.
Kathy Huett	Nazareth Care Australasia	Aged Care Organisation
John Stanway	Australian Council on Healthcare Standards	Improving the quality of health care.
John Stanway	Australian Council on Healthcare Standards International	Improving the quality of health care.
John Stanway	AFL Victoria Country Wimmera Mallee Commission	Strategic review into competition structure.
John Stanway	RCH Education Institute	Royal Children's hospital.
Chris Doidge	O'Brien Institute	Clinical and experimental research.
Christine Fitzherbert	BreastScreen Victoria	Breast Screening.
Christine Fitzherbert	Womens Health Victoria	Focused on improving the lives of Victorian women.
Veronica Jamison	Veronica Jamison Pty Ltd	Management & Secretarial Services.
Veronica Jamison	Beela Investments Pty Ltd	Beela Investments Pty Ltd holds the shares in trust for 74 Barkly St Pty Ltd
Veronica Jamison	74 Barkly St Pty Ltd	Service Company providing management and related services for a block of Company Share Apartments.



## VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION

### OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2013


**Officers & employees who are directors of a company or a member of a board (continued)**

Name	Company or Entity	Principle Activity
Veronica Jamison	233 Canterbury Road Pty Ltd	Service Company providing management and related related services for a block of Stratum Units
Veronica Jamison	Colton Court Pty Ltd	Service Company providing management and related related services for a block of Stratum Units
Veronica Jamison	Loddon Mallee Palliative Care Consortium	Help deliver and facilitate the Victorian Government's Strengthening palliative care.
Veronica Jamison	Meadow Heights Learning Shop	Provide Learning programs to members of the local community.
Veronica Jamison	Boort Tourism Group	Promote Tourism around the Boort Community.
Chris Scott	Health Financial Group	Health Industry Consulting and Support Services.
Chris Scott	Wimmera Uniting	Welfare and Wellbeing service provider under the auspice of the Uniting Church of Australia.

The following employees or Officers of the Association are either directors of a company or members of a board that is related to their involvement with VHIA.

Name	Company or Entity	Principle Activity
Robert Bell	Health Financial Pty Ltd	Salary Packaging
Ignatius Oostermeyer	Workplace Legal Pty Ltd	Law Firm

**Name:** Dr Brendan Murphy  
**Title:** President

**Signature:** 

**Date:** 8th September 2014

## **VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

### **OPERATING REPORT FOR THE YEAR ENDED 30 JUNE 2013**

#### **Manner of Resignation**

#### **TERMINATION OF MEMBERSHIP**

- 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 2013**

- 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 34 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) Fair Work Australia; 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.



**VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF  
VICTORIAN HOSPITALS' INDUSTRIAL ASSOCIATION**

***Report on the Financial Report***

We have audited the accompanying general purpose financial report of Victorian Hospitals' Industrial Association (the Association), which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date, a summary of significant accounting policies and other explanatory notes and the statement by the Board.

***Boards' Responsibility for the Financial Report***

The Board of Association is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and other mandatory professional reporting requirements in Australia so as to present a view which is consistent with our understanding of the Association's financial position and performance as represented by the results of its operations and its cash flows. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the board, as well as evaluating the overall presentation of the financial report.

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

***Independence***

In conducting our audit, we have complied with the independence requirements of the Australian professional ethical pronouncements.



***Auditor's Opinion***

In our opinion:

- (a) the general purpose financial report of the Victorian Hospitals' Industrial Association presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia, the requirements of the Fair Work (Registered Organisations) Act 2009, and other requirements imposed by these reporting guidelines or Part 3 of Chapter 8 of the RO Act;
- (b) management's use of the going concern basis of accounting in the preparation of the Victorian Hospitals' Industrial Association financial report is appropriate; and
- (c) the financial report properly and fairly reports all information required by the reporting guidelines of the general manager, including:
  - i. any fees charged to, or reimbursements of expenses claimed from, members and others for recovery of wages activity; and
  - ii. any donations or other contributions deducted from recovered money.

*DFK Collins*

**DFK COLLINS**  
**CHARTERED ACCOUNTANTS**

*Robert Wernli*

**Robert Wernli F.C.A**  
**Partner**

Melbourne  
9 September 2014

Registered Company Auditor  
No.16278