Australian Government
Registered Organisations Commission

2 June 2022

Professor Carolyn Evans
President
Australian Higher Education Industrial Association

Sent via email: aheia@aheia.edu.au
CC: rhutton@mcdb.com.au

Dear Professor Carolyn Evans,

Australian Higher Education Industrial Association Financial Report for the year ended 31 December 2021 – (FR2021/265)

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Australian Higher Education Industrial Association. The documents were lodged with the Registered Organisations Commission (**the ROC**) on 31 May 2022.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act**) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

Reporting Requirements

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 reporting guidelines and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any queries regarding this letter, please contact me on (02) 6240 9999 or by email at Madeleine.Hurrell@roc.gov.au.

Yours sincerely

Madeleine Hurrell

Madeleine Hurrell
Registered Organisations Commission

Australian
Higher
Education
Industrial
Association

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

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

DESIGNATED OFFICER'S CERTIFICATE

Certificate for the year ended 31 December 2021

I, Carolyn Evans, President of the Australian Higher Education Industrial Association, certify:

- that the document lodged herewith is a copy of the full report for the *Australian Higher Education Industrial Association* for the 12 months period ended 31 December 2021; and
- that the full report was provided to members of the reporting unit on 31 March 2022; and
- that the full report was presented to a general meeting of the reporting unit on 31 May 2022 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

____

PROFESSOR CAROLYN EVANS

PRESIDENT

Date: 31 May 2022

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AHEIA ANNUAL REPORT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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PRESIDENT'S MESSAGE

I am very pleased to present the annual report of the Australian Higher Education Industrial Association for 2021.

Having taken on the role of President in July, I would like to acknowledge the significant contribution to the work of the Association made by my predecessor, Professor Eeva Leinonen, Vice Chancellor and President of Murdoch University, and by Professor John Dewar AO, Vice-Chancellor and President of La Trobe University, who served as a member of the Executive Committee from 2013 to 2021, including three terms as Vice President.

It is vital that the Association is properly positioned to provide strategic leadership on behalf of the higher education sector to assist members to achieve fair, flexible, best practice employment arrangements. This is reflected in the new strategic plan of the Association for 2021-2024 finalised with input from member Vice-Chancellors and Chief People Officers, that provides particular focus on the need for the Association to:

- constructively influence the external environment impacting upon universities as employers;
- advise, assist and represent our members in employment matters;
- facilitate interaction amongst member universities;
- provide information, research and analysis on HE workforce matters; and
- develop members' organisational capability and skills.

I wish to thank the staff of the Association for everything that was achieved during the year under challenging circumstances, and I look forward to working with my fellow members of the Executive Committee to ensure the Association achieves its strategic objectives.

Professor Carolyn Evans
President

FROM THE EXECUTIVE DIRECTOR

The AHEIA COVID-19 Impact Survey Report 2019-21 demonstrated the effects of the global pandemic on Australian universities have been severe and led to major reductions in the levels of continuing employment in member universities in the second half of 2021. This followed a substantial reduction in the levels of casual employment, particularly casual professional staff, during 2020. We worked consistently to support member universities in assessing the sectoral impact and in developing their response with respect to employment and industrial matters.

Many universities were subject to public health orders preventing staff from attending campus unless fully vaccinated and the Association provided comprehensive advice to member universities on various considerations relating to mandating vaccinations for staff and students and/or encouraging and facilitating vaccination. We felt our own impact during this time with the Victorian State lockdown requirements resulting in all Association staff working from home for more than nine months of the year whilst still delivering services and maintaining regular contact with members.

Casual employment issues were a matter of prime significance. The *Fair Work Act 2009* introduced a new casual employment regime in March that included new rights of conversion to continuing employment for casual staff. Casual employment in universities was also a focus of two federal Senate Inquiries, one relating to job security and the other relating to unlawful underpayment of employees' remuneration.

Enterprise bargaining progressed far slower than previous rounds. The Association maintained its forums and fortnightly videoconferences throughout the year in support of the sector's preparations and progress of bargaining. A number of universities sought short-term bargaining outcomes, and one university was successful in putting an enterprise agreement variation proposal to a staff vote in December.

The Association further developed its Universities HR Benchmarking Program and continued to broaden the range of the learning and development (L&D) programs available to member universities. As with our L&D activities, our two annual conferences were hosted online, and we continued to receive very positive member feedback with respect to our online delivery of member services and events.

I will be retiring as Executive Director in mid-2022, and I take this opportunity to say what a pleasure it has been to serve the Association in this capacity over the past decade, and to say thank you to everyone - Association staff, Executive Committee members, and so many representatives of member universities - for the close connections and collaboration that enable the Association to provide high quality service to its members.

Stuart Andrews
Executive Director

OPERATING REPORT

PRINCIPAL ACTIVITIES

With significant legislative change progressed in 2021, the Association worked proactively to support member universities with guidance and assistance. The new casual employment regime under the *Fair Work Act 2009* was introduced in March and the Association provided sector-wide advice to enable the casual conversion assessments that each university had to make for all casual staff during the six-month transition period that concluded on 27 September.

This included four national casual conversion forums, the commissioning of comprehensive legal advice regarding conversion requirements, the provision of multiple advice to member universities on a variety of conversion issues, preparation of communication templates, and submissions to the Fair Work Commission's Casual Terms Review of the higher education modern awards. We supported the award variations advanced by the FWC Full Bench to align the award provisions with the new definition of casual employment under the *Fair Work Act*, with casual conversion rights being governed by the *Fair Work Act* rather than the awards.

The Association conducted a member survey in October 2021 providing a sector snapshot of the percentage of casual staff that had been offered, and had subsequently accepted, conversion to full-time or part-time continuing appointments during the six-month transition period. There was a high degree of consistency across universities reflecting that a significant proportion of casual staff were not eligible for conversion for one or more of the following reasons:

- they had not been employed for 12 months through to the assessment date;
- they had not had an ongoing pattern of regular hours in the 6 months through to the assessment date which, without significant adjustment, they could continue to work on a full-time or part-time basis; and/or
- reasonable grounds existed for not offering conversion to a continuing position.

We worked in close collaboration with our member universities when appearing before the Federal Senate Economics References Committee *Inquiry into Unlawful Underpayment of Employees' Remuneration* hearing in March, following our submission filed in September 2020, and the Federal Senate Select Committee Job Security Inquiry hearing in April. The Association also engaged with the office of the Fair Work Ombudsman with respect to investigations of alleged underpayments by universities and commenced development of a training program for member universities on payment compliance issues with design input from FWO senior staff.

With respect to gender equality, the Association made a submission on behalf of member universities to the *Review of the Workplace Gender Equality Act*, with this submission focusing on the usefulness of data used for benchmarking, reducing the administrative burden on universities, the need for harmonising of reporting, calling for a focus on best practice rather than minimum requirements, and raising concerns with changes to the Employer of Choice citation criteria. We also raised the need for harmonisation of WGEA and State agency reporting requirements in our submission requesting extensions of time for universities to submit gender equality action plans to the recently established Victorian Gender Equality Commission.

The *AHEIA COVID-19 Impact Survey Report 2019-21*, capturing aggregated member university staffing data from mid-2019 to mid-2021, highlighted that there had been major reductions in the level of continuing employment across the 25 member respondent universities, with restructuring and redundancies and voluntary departures leading to over 3,000 fewer staff being employed on a continuing basis in mid-2021 than were employed in mid-2019.

The Association represented individual member universities with internal Redundancy Review Committee proceedings and with a wide variety of proceedings before the Fair Work Commission, including unfair dismissal and general protections claims, workplace bullying claims, disputes over academic workload issues, and disputes arising from vaccination requirements and major workplace change associated with the impact of COVID-19 on universities. Given the new *Fair Work Act* casual employment regime provides conversion rights as part of the National Employment Standards, disputes relating to non-conversion of casuals came within the ambit of enterprise agreement dispute settlement provisions. There were, however, no FWC disputes notified through to the end of the year with respect to any casual staff aggrieved by university decisions not to provide conversion under the new regime.

Representing member universities at a State level, the Association was successful in having the Queensland Workers' Compensation Regulator overturn a series of WorkCover Queensland decisions that had determined that university higher degree research students in receipt of stipend payments are "workers" under Queensland workers' compensation legislation. As a result of this successful challenge, HDR stipend payment amounts are not to be included as assessable wages for the calculation of university workers' compensation insurance premiums. We also assisted Queensland universities in collective negotiations with the two State teacher unions that resulted in an interim settlement of practice teacher supervision payment rates to apply from 2022.

ENTERPRISE BARGAINING

With the last round of bargaining having been completed for most universities in 2018 or early 2019, there were 30 universities who had enterprise agreements reaching their nominal expiry dates in mid to late 2021. The bargaining landscape has necessarily been impacted by the influence of, and response, to COVID-19 and progress in this round has not progressed with the same pace as previous rounds.

The Association was active from the start of the year in engaging with its members in preparation for bargaining. National discussion forums involving Vice-Chancellors focused on areas of transformative change important for universities and sector-specific workplace relations issues of significance to universities, their employees, and unions.

We hosted fortnightly EB Dial-in videoconferences throughout the second half of the year to enable member university representatives to come together to discuss progress in the formulation of their bargaining priorities and the bargaining activity taking place. Two national working groups were also established with membership involving Association workplace relations consultants and member university representatives. We hosted a national Enterprise Bargaining Forum in November that included presentations by Professor Zlatko Skrbis, Vice-Chancellor, Australian Catholic University, and Professor Carolyn Evans, Vice-Chancellor, Griffith University.

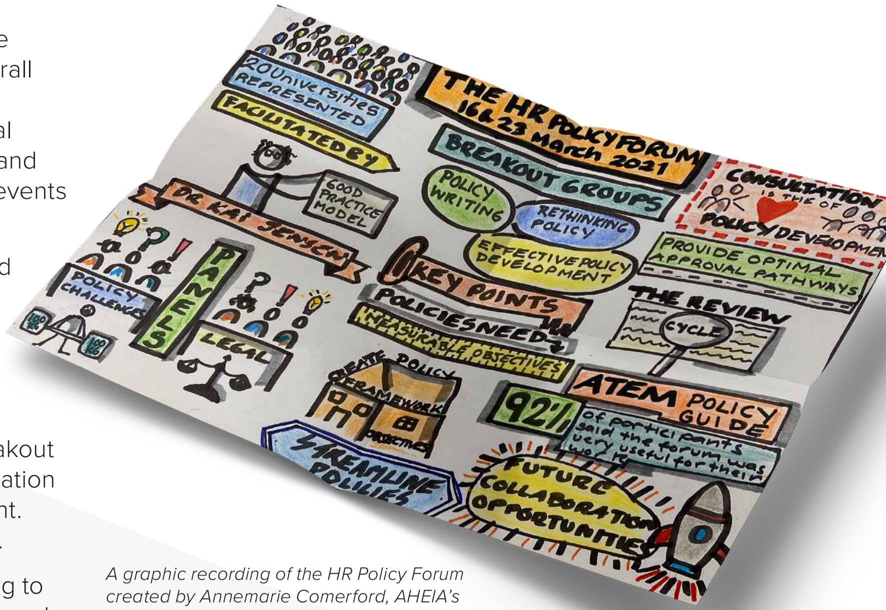
Against the backdrop of little progress having been made at the bargaining table across the sector, the Association assisted Charles Sturt University in putting a proposed enterprise agreement variation directly to a vote of staff in December. The vote was successful notwithstanding active campaigning by the NTEU in opposition to the proposed variation that principally involved a pay increase in late 2022 and an extension of the agreement's nominal expiry date.

LEARNING AND DEVELOPMENT ACTIVITIES

Despite the COVID-19 associated challenges of 2021, the Association provided training to 474 participants from 30 universities over the course of the year, offering all programs in a virtual classroom setting.

Participant feedback continued to be very positive with 90% of survey respondents providing an overall satisfaction rating of either 'Very Good' or 'Good'. The Association's provided a range of professional development programs for members and hosted and chaired a range of AHEIA network meetings and events which were highly valued by members.

In collaboration with ATEM, the Association hosted a Human Resources Policy Forum in March, focusing on good practice in ensuring the effectiveness of university HR policies. The forum was attended by 42 participants from 27 universities and facilitated by Dr Kai Kensen, Principal, PolicyTrain, and included panel and breakout discussion of HR policy challenges, and a presentation on a model of good practice in policy management. Legal aspects of HR policies were also discussed.



A graphic recording of the HR Policy Forum created by Annemarie Comerford, AHEIA's Learning & Creative Design Consultant.

In September the Association was pleased to bring to members one of the most sought-after leadership and culture interventions globally, *Dare to Lead*™, based on the research of Dr. Brené Brown. The program, delivered as a pilot across two intensive virtual workshops, is an empirically based courage-building program for leaders, teams, and individuals. The workshop was very popular with 55 people registered from ten universities.

OD Network members were invited to attend a special professional development workshop, *Virtual Facilitation from Good to Great*, delivered by global facilitation expert and author, Professor Kendall Zoller from the USA over two half days in October. A number of participants said this was the best PD program they had attended for some time and requested further offerings for their colleagues in a variety of roles across their institutions.

The Association's OD Network community continued to play a key role in supporting OD/L&D staff throughout a challenging year providing connection, collaboration, and professional development opportunities. A variety of events were organised in collaboration with OD Network members, involving guest presenters and facilitated discussions to address particular areas of interest and topical issues. The Association hosted six meetings of the HE Talent Acquisition, Recruitment and Employee Experience Network for members to share information and develop and implement practical tools and strategies to support recruitment, talent acquisition and employee experience, and the AHEIA Strategic Workforce Planning Network was also established in May.

The *Leading Team Success* program, focusing on team dynamics, leading a high-performance team, managing performance, and difficult conversations, was again very popular with 12 programs being delivered to over 130 participants, as was the *Accidental Counsellor* program, which gives participants confidence and skills necessary to support someone in their moment of need, and to be able to refer them to the most appropriate support. In partnership with Worklogic, the Association also provided members with a range of programs directed to identifying, preventing, and resolving workplace misconduct and conflict. This included programs covering workplace investigations, triage, investigative interviewing, and a drafting of allegations masterclass.

The Association in partnership with Coach Pty Ltd delivered a range of support measures to members to assist with addressing stress-driven team behavioural/communication issues, including coaching services and the *Class Act Conduct* program. This is an integral component of the *AHEIA Culture of Excellence* program, launched in April with endorsement from Safe Work Australia, and includes a set of innovative online programs and people-and-culture supports that drive positive communication behaviour change, addressing bullying and negative communication behaviours.

UNIVERSITIES HR BENCHMARKING PROGRAM

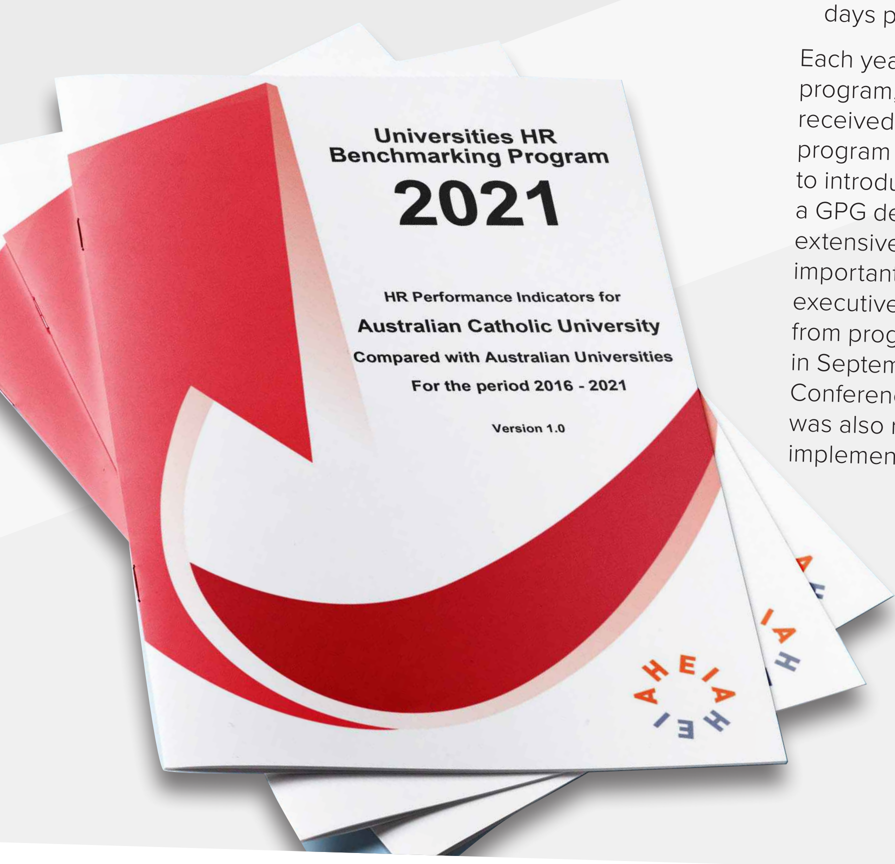
This was the ninth year that the Association has administered the Universities HR Benchmarking Program since its establishment in 2004, which followed collaboration between a number of Australian universities who wanted to be able to compare and contrast human resource data with like institutions. In 2021, the program comprised 31 full members from Australia, with 30 member universities contributing data for the 2021 report.

Members collate and submit information about their university, which is analysed and reported across a wide range of measures, drawing comparisons to the university sector as a whole or a defined sub-group of universities.

KEY FINDINGS FROM THE 2021 BENCHMARKING SURVEY INCLUDED:

- Employment costs as a percentage of revenue increased from 53.0% in 2019 to 58.1% of total university income in 2020.
- Total annual staff turnover within the sector increased slightly from 15.6% in 2019 to 16.5% in 2020. The highest levels of staff turnover were Academic Level A at 28.1% and Professional Staff HEW 1-5 at 22.0%. Voluntary Employee Initiated Turnover remained the primary staff turnover reason, at 7.2% in 2020, decreasing from 8.7% in 2019; with a decrease from 2.1% in 2019 to 1.6% in 2020 for staff with less than 12 months service. Voluntary University Initiated Turnover increased from 0.7% in 2019 to 2.9% in 2020, while Involuntary University Initiated Turnover increased from 0.5% in 2019 to 0.7% in 2020. Fixed term contract expiries were stable at 5.7% for both years.
- The proportion of female staff within the university sector workforce has increased slightly over the last five years. In 2021, 57% of the workforce were female compared to 55.9% in 2016. 65.4% of the professional staff workforce in 2021 were female, compared to 47.1% for academic staff. Senior Academic Staff and Level E academic staff groups had the lowest proportion of female staff representation in 2021, with 40.2% and 30.8% respectively.
- The success rate for academic promotion applications decreased from 6.2% in 2019 to 5.8% in 2020. The highest success rate in 2020 was to Academic Level E at 6.6%, closely followed by Level C (6.4%) and Level D (6.2%). The percentage of academic staff applying for promotion decreased by 10.4% from 9.0% in 2019 to 8.1% in 2020, with the highest percentage in 2020 being applications for promotion to Level E (9.8%) followed by Level D (9.4%).
- Unscheduled Absence per employee decreased from 7.0 days per employee in 2019 to 5.8 days per employee in 2020. Professional staff HEW 1-5 recorded the largest unscheduled absence at 8.3 days per employee in 2020, a decrease from 9.8 days per employee in 2019. Professional staff HEW 6 and above averaged 7.0 days, while Academic staff averaged 3.7 days per employee.

Each year the Association conducts a review of the program, including the survey measures, how data is received and input, and how we report results back to program members. This year's review led to a decision to introduce a Gender Pay Gap measure in 2022, with a GPG definition being agreed upon following further extensive feedback from program members. Another important initiative was the development of a Power BI executive dashboard with working group assistance from program member universities, that was launched in September during the Universities HR Benchmarking Conference. Additional post-conference feedback was also received to fine tune the dashboard for implementation next year.



NATIONAL CONFERENCES

This year saw the Association return to its normal practice of hosting two national conferences, the first being the Higher Education HR/IR Conference held in May, and the second being the Universities HR Benchmarking Conference held in September.

The Higher Education HR/IR Conference theme was *Transforming the Higher Education Workforce*, building on the 2020 AHEIA report of the same title prepared by PwC Australia that analysed progress in Australian university workplace reform over the previous four years. Professor Pascale Quester, Vice-Chancellor, Swinburne University gave the opening keynote presentation, *The post-Covid university and the challenges ahead*. Professor Sharon Parker, Director of the Centre for Transformative Work Design, Curtin University spoke on the *Future of Work and the Role of Work Design*, and Emeritus Professor Keith Houghton, Chief Academic Strategist, Higher Education & Research Group, provided data analysis of the teaching and research performance across all Australian universities. The final session of the conference featured human rights lawyer and hostage survivor, Rabia Siddique, who gave an amazing account of her hostage ordeal and its aftermath, and who spoke about the transformative and life-changing impact the 'right' education can have on a young person.

The Universities HR Benchmarking Conference titled *Building a Dynamic Workforce* featured keynote scene-setting presentations from Professor Alex Zelinsky AO, Vice-Chancellor, The University of Newcastle and Professor Carolyn Evans, Vice-Chancellor, Griffith University. PwC Australia partner Ben Neal spoke on *The Future of Work and HR's Role in Building a Dynamic, Future-proof Workforce*, and workforce planning expert Nick Kennedy gave a presentation titled *Strategic workforce planning – A capability-based approach to building a mobile and agile workforce*. The conference also showcased the Association's collaboration with member universities on the development of the Universities HR Benchmarking Program Bi Dashboard and a case study involving workforce planning with HR analytics within the university environment.

MEMBERSHIP AND GOVERNANCE

THERE WERE 32 MEMBERS OF THE ASSOCIATION AS AT 31 DECEMBER 2021:

Australian Catholic University
Central Queensland University
Charles Sturt University
Charles Darwin University
Curtin University
Deakin University
Edith Cowan University
Federation University Australia
Griffith University
James Cook University
La Trobe University
Macquarie University
Murdoch University
Queensland University of Technology
RMIT University
Southern Cross University
Swinburne University of Technology
University of Adelaide
University of Canberra
University of Newcastle
University of New England
University of Notre Dame Australia
University of Queensland
University of South Australia
University of Southern Queensland
University of the Sunshine Coast
University of Tasmania
University of Technology Sydney
University of Western Australia
University of Wollongong
Victoria University
Western Sydney University

GENERAL MEETING OF MEMBERS

An Extraordinary General Meeting of the Association was held by videoconference on 4 June 2021 and the Annual General Meeting was held by videoconference on 26 October 2021.

MANNER OF RESIGNATION

Rule 11 of AHEIA's rules provides for the process of resignations, as follows:

1. A Member may resign from the Association by written notice addressed and delivered to the Executive Director.
2. Except as provided for in the sub-Rule 11(3), a written notice of resignation shall take effect:
    a. At the end of two weeks after the notice is received by the Association; or
    b. On the day specified in the notice; whichever is later.
3. Where a Member ceases to be eligible to become a Member of the Association, a written notice of resignation addressed and delivered to the Executive Director shall take effect:
    a. On the day on which the notice is received by the Association;
    b. 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 later.
4. Upon the resignation becoming effective the Member shall cease to have any interest in or claim upon the funds of the Association.
5. A Member who ceases to exist as a separate legal entity shall thereupon be deemed to have resigned.
6. Any dues payable but not paid by a former Member of the Association, in relation to a period before the Member's resignation 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.
7. A notice delivered to the Executive Director pursuant to sub-Rule 11(1) shall be taken to have been received by the Association when it was delivered.
8. A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-Rule 11(1).

A resignation from membership of the Association is valid even if it is not effected in accordance with this Rule if the Member is informed in writing by or on behalf of the Association that the resignation has been accepted.

THE EXECUTIVE COMMITTEE

PRESIDENT
Professor Carolyn Evans

Vice Chancellor and President,
Griffith University

26 Oct 2021 - 2023 AGM
31 Jul 2021 - 26 Oct 2021
28 Oct 2020 - 30 Jul 2021 (member)
11 Mar 2020 - 28 Oct 2020 (member)

PRESIDENT
Professor Eeva Leinonen

Vice Chancellor and President,
Murdoch University

29 Jul 2020 - 30 Jul 2021
12 Nov 2019 - 29 Jul 2020 (Vice President)

VICE PRESIDENT
Professor Zlatko Skrbis

Vice-Chancellor and President,
Australian Catholic University

26 Oct 2021 - 2023 AGM

VICE PRESIDENT
Professor John Dewar AO

Vice-Chancellor and President,
La Trobe University

29 Jul 2020 - 26 Oct 2021
30 Oct 2018 -29 Jul 2020 (member)
31 Oct 2017 - 30 Oct 2018 (member)
5 Nov 2015 - 31 Oct 2017
16 Feb 2015 - 5 Nov 2015
28 Oct 2014 - 16 Feb 2015 (member)
11 Dec 2013 - 28 Oct 2014 (member)

MEMBER
Professor Alex Zelinsky AO

Vice-Chancellor and President,
The University of Newcastle

6 Sep 2021 - 2022 AGM

MEMBER
Jane Booth

Executive Director: People, Talent &
Culture University of South Australia

28 Oct 2020 - 2022 AGM
30 Oct 2018 - 28 Oct 2020
22 Aug 2017 - 30 Oct 2018

MEMBER
Ian Callahan

Chief Operating Officer,
Curtin University

28 Oct 2020 - 9 Apr 2021
30 Oct 2018 - 28 Oct 2020

MEMBER
Rick Willmott

Chief Operating Officer,
Charles Sturt University

28 Oct 2020 - 2022 AGM

MEMBER
Angelo Kourtis

Vice-President (People and Advancement),
Western Sydney University

21 Jun 2021 - 2022 AGM

EXECUTIVE COMMITTEE ELECTIONS AND APPOINTMENTS

Professor Carolyn Evans and Professor Zlatko Skrbis were elected unopposed as President and Vice President, respectively, taking office at the 2021 AGM. Mr Angelo Kourtis was also elected unopposed to the Executive Committee with effect from 21 June 2021 to fill the position vacated by Mr Ian Callahan.

The Executive Committee had appointed Professor Evans to the position of President with effect from 31 July 2021 to fill the casual vacancy arising from Professor Leinonen's relinquishment of that position. The Executive Committee also appointed Professor Zelinsky with effect from 6 September 2021 to fill the consequential vacancy arising from Professor Evans' appointment as President.

MEETINGS OF THE EXECUTIVE COMMITTEE

Tuesday 2 March	Videoconference
Monday 19 April	Videoconference
Tuesday 15 June	Videoconference
Monday 9 August	Videoconference
Tuesday 5 October	Videoconference
Monday 29 November	Videoconference

OTHER SIGNIFICANT MATTERS

SIGNIFICANT CHANGES IN THE NATURE OF THE ASSOCIATION'S ACTIVITIES
There were no significant changes in the nature of the Association's activities during the year.

SIGNIFICANT CHANGES IN THE FINANCIAL AFFAIRS OF THE ASSOCIATION
There were no significant changes in the financial affairs of the Association during the year.

OTHER MATTERS OF IMPORTANCE
All members of the Association are universities.

THE ASSOCIATION'S STAFF
There were nine full-time staff employed by the Association as at 31 December 2021. Marcus Miller commenced as as a Workplace Relations Consultant in November, replacing Robyn Trevaskis who departed earlier in the year.

Employees of the Association (from left): Standing: Peter Raymond, Henry Wong, Stuart Andrews, Bianca Rance, Marcus Miller, Catherine Pugsley. Seated: Fitri Elpilysia, Annemarie Comerford, Gerard Grant.

PREPARATION OF THIS OPERATING REPORT

This Operating Report has been prepared by the President of the Association, Professor Carolyn Evans.

Signature   Date: 31 March 2022

FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

McLean Delmo Bentleys
THINKING AHEAD

McLean Delmo Bentleys
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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION ("AHEIA")

Opinion
I have audited the financial report of Australian Higher Education Industrial Association ("AHEIA"), which comprises the statement of financial position as at 31 December 2021 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Committee of Management's Statement and the subsection 255(2A) report and the Officer Declaration Statement of the Reporting Unit.

In my opinion the accompanying financial report of AHEIA presents fairly, in all material respects, the entity's financial position as at 31 December 2021 and their financial performance and their cash flows for the year then ended in accordance with:

(i) Australian Accounting Standards; and

(ii) 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).

I declare that the Committee of Management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion
I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Information Other than the Financial Report and Auditor's Report Thereon
The Committee of Management of AHEIA 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.

My opinion on the financial report does not cover the other information and accordingly I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

McLean Delmo Bentleys
THINKING AHEAD

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION ("AHEIA") (CONTINUED)

Responsibilities of the Committee of Management for the Financial Report
The Committee of Management of AHEIA 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 is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report
My objective is to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Australian Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit's audit. I remain solely responsible for my audit opinion.

INDEPENDENT AUDITOR'S REPORT

McLean Delmo Bentleys
THINKING AHEAD

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION ("AHEIA") (CONTINUED)

Auditor's Responsibilities for the Audit of the Financial Report (Continued)
I 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 I identify during my audit.

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

Report on Other Legal and Regulatory Requirements
In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

I did not identify any matters to report in this regard.

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

Rod Hutton
Partner

Hawthorn
4 March 2022

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/52

OFFICER DECLARATION STATEMENT

Australian
Higher
Education
Industrial
Association

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

OFFICER DECLARATION STATEMENT

I, Carolyn Evans, being the President of the Australian Higher Education Industrial Association, declare that the following activities did not occur during the reporting period ending 31 December 2021.

The reporting unit did not:

- receive any other revenue from another reporting unit
- receive revenue from undertaking recovery of wages activity
- pay any other expense to another reporting unit
- 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
- receive cash flows from another reporting unit
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

PROFESSOR CAROLYN EVANS

President

Signed on Gold Coast on 1 March 2022

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303 Collins Street
Melbourne
VIC 3000

Email:
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Web:
www.aheia.edu.au

ABN: 74 401 952 624

COMMITTEE OF MANAGEMENT STATEMENT

For the year ended 31 December 2021

Australian
Higher
Education
Industrial
Association

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

COMMITTEE OF MANAGEMENT STATEMENT

On 1 March 2022, the Executive Committee of Australian Higher Education Industrial Association ("reporting unit") passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 31 December 2021.

The Executive Committee declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. 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);
3. 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;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of the year:
   i) meetings of the Executive Committee 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 rules of the organisation; and
   iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
   iv) no information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act; and
   v) no orders have been made for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act;

This declaration is made in accordance with a resolution of the Executive Committee.

For and on behalf of the Executive Committee:

PROFESSOR CAROLYN EVANS

President

Signed on Gold Coast on 1 March 2022

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AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

REPORT REQUIRED UNDER SUBSECTION 255 (2A)
FOR THE YEAR ENDED 31 DECEMBER 2021

The Executive Committee presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2021.

Descriptive form:

Categories of expenditures	**2021** **$**	**2020** **$**
Remuneration and other employment-related costs and expenses – employees	1,776,636	1,780,842
Advertising	-	-
Operating costs	699,652	968,360
Donations to political parties	-	-
Legal costs	21,602	37,964

PROFESSOR CAROLYN EVANS
President

Signed on Gold Coast on 4/3/ 2022

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	Notes	2021 $	2020 $
REVENUE FROM ORDINARY ACTIVITIES	3	2,770,220	2,863,557
EXPENSES			
Employee expenses	4A	(1,776,636)	(1,780,842)
Capitation fees			
Affiliation fees			
Grants or donations			
Depreciation and amortisation		(159,773)	(136,275)
Occupancy expenses		(53,456)	(63,054)
Travelling expenses		(900)	(16,289)
Communication expenses		(34,101)	(35,290)
Printing and stationery expenses		(21,455)	(20,417)
Professional fees expense		(13,369)	(18,000)
Finance costs	4D	(29,569)	(3,307)
Legal costs	4B	(21,602)	(37,964)
Information technology expenses		(39,469)	(51,002)
Insurance expenses		(15,043)	(13,500)
Conference and meeting expenses		(279,103)	(313,461)
Other administration expenses	4C	(53,414)	(49,772)
Project Workforce			(247,993)
TOTAL EXPENSES		**(2,497,890)**	**(2,787,166)**
SURPLUS FOR THE YEAR		**272,330**	**76,391**
Other comprehensive income:			
Items that will not be subsequently reclassified to profit and loss – Gain / (Loss) on equity instruments designated at FVTOCI	9C	194,511	(20,770)
TOTAL COMPREHENSIVE RESULT FOR THE YEAR		**466,841**	**55,621**

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

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2021

		2021	2020
ASSETS	Notes	$	$
Current Assets			
Cash and cash equivalents	5A	1,009,352	843,632
Trade and other receivables	5B	193,575	102,957
Other current assets	5C	59,674	131,771
Financial assets	5D	3,562,147	3,268,740
Total current assets		***4,824,748***	***4,347,100***
Non-Current Assets			
Plant and equipment	6A	563,247	719,587
Intangible assets	6B	-	1,294
Total non-financial assets		***563,247***	***720,881***
Total assets		**5,387,995**	**5,067,981**
LIABILITIES			
Current Liabilities			
Trade and other payables	7A	318,180	350,101
Other liabilities	7B	168,811	232,634
Employee provisions	8A	557,190	510,036
Total current liabilities		***1,044,181***	***1,092,771***
Non-Current Liabilities			
Trade and other payables	7A	400,339	540,569
Employee provisions	8A	21,450	15,457
Total non-current liabilities		***421,789***	***520,026***
Total liabilities		**1,465,970**	**1,612,797**
Net assets		**3,922,025**	**3,455,184**
EQUITY			
Reserves	9A	725,000	725,000
Investment revaluation reserve	9C	141,785	(52,726)
Accumulated surplus	9B	3,055,240	2,782,910
Total equity		**3,922,025**	**3,455,184**

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2021

	Reserves	Investment Revaluation Reserve	Accumulated Surplus	Total Equity
	$	$	$	$
Balance as at 1 January 2020	725,000	(31,956)	2,706,519	3,399,563
Surplus for the year	-	-	76,391	76,391
Other comprehensive income for the year	-	(20,770)	-	(20,770)
Closing balance as at 31 December 2020	**725,000**	**(52,726)**	**2,782,910**	**3,455,184**
Balance as at 1 January 2021	725,000	(52,726)	2,782,910	3,455,184
Surplus for the year	-	-	272,330	272,330
Other comprehensive income for the year	-	194,511	-	194,511
Closing balance as at 31 December 2021	**725,000**	**141,785**	**3,055,240**	**3,922,025**

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	Notes	2021 $	2020 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		2,845,953	3,038,067
Payments to suppliers and employees		(2,456,088)	(2,536,238)
Interest received		2,173	7,930
Interest on lease payments		(29,569)	(3,307)
Net cash provided by operating activities	10A	**362,469**	**506,452**
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(2,140)	(29,917)
Purchase of investment		(98,896)	(117,238)
Net cash used in investing activities		**(101,036)**	**(147,155)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of principal portion of lease liabilities		(95,713)	(114,805)
Net cash used in financing activities		**(95,713)**	**(114,805)**
Net increase in cash held		165,720	244,492
Cash at beginning of year		843,632	599,140
Cash and cash equivalents at end of financial year	5A	**1,009,352**	**843,632**

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2021

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 (MSB) that apply for the reporting period, and the *Fair Work (Registered Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Australian Higher Education Industrial Association is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Revenue

The Association enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

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 Association has a contract with a customer, the Association recognises revenue when or as it transfers control of goods or services to the customer. The 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 Association.

If there is only one distinct membership service promised in the arrangement, the Association recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Association's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the Association allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the Association charges for that good or service in a standalone sale.

When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the Association recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Association has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

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

Income of the association as a Not-for-Profit Entity

Consideration is received by the association to enable the entity to further its objectives. The Association recognises each of these amounts of consideration as income when the consideration is received (which is when the association obtains control of the cash) because, based on the rights and obligations in each arrangement: the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and the association's recognition of the cash contribution does not give to any related liabilities.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) 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.

1.4 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 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.

1.5 Cash

Cash is recognised at its nominal amount. Cash and cash equivalents include 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.

1.6 Leases

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

Association as a lessee

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

Right-of-use assets

The Association recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2021	2020
Right of use asset	Term of lease	Term of lease

If ownership of the leased asset transfers to the Association at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease liabilities

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Association and payments of penalties for terminating the lease, if the lease term reflects the Association exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Association uses the incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Association's short-term leases are those that have a lease term of 12 months or less from the commencement. It also applies the lease of low-value assets recognition exemption. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.7 Financial instruments

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

1.8 Financial Assets

Contract assets and receivables

A contract asset is recognised when the Association right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the 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).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Association's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component, the Association initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

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

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

Subsequent measurement

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

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

Financial assets at fair value through other comprehensive income

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

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

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

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

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

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

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

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

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

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

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

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

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

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

Impairment

Expected credit losses

Receivables for goods and services, which have 30-day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

(i) Trade receivables

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

Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Debt instruments other than trade receivables

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

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.9 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. The Association's financial liabilities include trade and other payables.

Subsequent measurement

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

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

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

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in MSB 9are satisfied.

Financial liabilities at amortised cost

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

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

Derecognition

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

1.10 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Association transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Association performs under the contract (i.e., transfers control of the related goods or services to the customer).

1.11 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.

1.12 Plant and Equipment

Asset Recognition Threshold

Purchases of 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.

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 straight line 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 depreciation rates:

	Depreciation rates	Depreciation basis
Office equipment	25%	Straight line
Furniture and Fittings	25%	Straight line
Computer equipment	25%	Straight line
Leasehold improvements	14%	Straight line

Derecognition

An item of 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1.13 Intangible assets

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 amortisation rates of intangible assets are:

	Amortisation rates	Amortisation basis
Intangible assets	25%	Straight line

Derecognition

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

1.14 Impairment for 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 Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.15 Taxation

The Australian Higher Education Industrial Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an 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 cash flow statement 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

1.16 Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non current classification. An asset is current when: it is expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

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

1.17 Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Association determines the estimated useful lives and related depreciation charges for its plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Employee benefits provision

As discussed in note 1.5, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

1.18 Recovery of wages

The Association has not undertaken any recovery of wages activity during the financial year.

1.19 Acquisition of assets or liabilities

The Association did not acquire an asset or a liability during the financial year as a result of:

1.19.1 an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or

1.19.2 a restructure of the branches of the organization;or

1.19.3 a determination by the General Manager under sub-section 245(1) of the RO Act of an alternative reporting structure for the organization; or

1.19.4 a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under sub-section 245(1).

1.20 Business combinations

The Association has not acquired assets or liabilities during the financial year as part of a business combination.

1.21 Transactions with another reporting unit

The Association does not have another 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.

1.22 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 Executive Committee 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 and financial management skills available. The Association's ability to continue as a going concern is not reliant on financial support of another reporting unit.

1.23 Financial support to another reporting unit

The Association has not agreed to provide financial support to ensure another reporting unit has the ability to continue as a going concern.

1.24 New accounting standards adopted by the association

Future Australian Accounting Standards Requirements Accounting Standards

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

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

The Association has assessed that there will be no material impact on the financial statements upon adoption of AASB 2020-1.

NOTE 2 EVENTS AFTER THE REPORTING PERIOD

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

	2021	2020
	$	$

NOTE 3 REVENUE FROM ORDINARY ACTIVITIES

Revenue from contracts with customers:		
Membership subscriptions	2,334,565	2,396,647
Total revenue from contracts with customers	**2,334,565**	**2,396,647**
Other Revenue:		
Interest received	2,173	7,930
Investment income	98,941	104,035
Conference and sponsorship income	70,496	21,000
Service fees	209,722	233,945
Grants	-	100,000
Donations	-	-
Levies	-	-
Capitation fees	-	-
Sundry revenue	54,323	-
Total other revenue	**435,655**	**466,910**
Total revenue from ordinary activities	**2,770,220**	**2,863,557**

NOTE 4 EXPENSES

Note 4A: Employee expenses

	$	$
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Employees other than office holders:	-	-
Wages and salaries	1,540,875	1,499,286
Superannuation	182,614	167,069
Leave and other entitlements	53,147	114,487
Separation and redundancies	-	-
Other employee expenses	-	-
Total employee expenses	**1,776,636**	**1,780,842**

	2021	2020
	$	$

NOTE 4 EXPENSES (CONTINUED)

Note 4B: Legal costs

Litigation	-	-
Other legal matters	21,602	37,964
Total legal costs	**21,602**	**37,964**

Note 4C: Administration expenses

Equipment hire	-	2,347
Subscription fees	806	1,276
Office services and supplies	14.462	17,656
Bank charges	4,910	5,700
Consultant fees	28,250	12,700
Other operating expenses	4,986	10,093
Capitation fees	-	-
Affiliation fees	-	-
Grants or donations	-	-
Consideration to employers for payroll deductions	-	-
Penalties - via RO Act or RO Regulations	-	-
Compulsory levies	-	-
Subtotal administration expense	**53,414**	**49,772**

Note 4D: Finance costs

Interest-Right of Use Liability	29,569	3,307
Total legal costs	**29,569**	**3,307**

	2021	2020
	$	$

NOTE 5 CURRENT ASSETS

Note 5A: Cash and Cash Equivalents

	2021 $	2020 $
Cash at bank	1,009,152	843,432
Cash on hand	200	200
Short term deposits	-	-
Total cash and cash equivalents	**1,009,352**	**843,632**

Note 5B: Trade and Other Receivables

	2021 $	2020 $
Trade receivables	184,949	97,303
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Total receivables	**184,949**	**97,303**
Other receivables:		
GST (payable) / receivable from the ATO	4,673	1,701
Other receivables	3,953	3,953
Total other receivables	**8,626**	**5,654**
Total trade and other receivables (net)	**193,575**	**102,957**

The average credit period is 30 days (2020: 30 days). No interest is charged on outstanding amounts

Note 5C: Other Current Assets

	2021 $	2020 $
Prepayments	59,674	131,771
Accrued income	-	-
Total other current assets	**59,674**	**131,771**

Note 5D: Financial Assets

	2021 $	2020 $
Financial assets designated at fair value through other comprehensive income		
Managed investment portfolio	2,997,147	2,703,740
Financial assets at fair value through profit or loss		
Term deposits*	565,000	565,000
Total Financial Assets	**3,562,147**	**3,268,740**

*The Association has in place a bank guarantee with the National Australia Bank for the current lease at Level 6, 303 Collins Street, Melbourne. This bank guarantee of $112,444 (2020: $112,444) is secured by one of the term deposits.

	2021	2020
	$	$

NOTE 6 NON-CURRENT ASSETS

Note 6A: Plant and equipment

Plant and equipment:		
Plant and Equipment at cost	435,392	433,252
Less accumulated depreciation	(354,312)	(310,139)
Total plant and equipment	81,079	123,113
ROU Asset at Cost	1,099,890	1,099,890
Less accumulated depreciation	(617,722)	(503,416)
Total ROU Asset	482,168	596,474
Total plant and equipment	**563,247**	**719,587**

Reconciliation of carrying amounts of plant and equipment		
Balance at the beginning of the year	719,587	229,071
Additions	2,140	620,327
Disposals	-	-
Depreciation	(158,480)	(129,811)
Carrying amount at end of the year	563,247	719,587

Note 6B: Intangible assets

Intangible assets		
At cost	100,694	100,694
Less accumulated amortisation	(100,694)	(99,400)
Total intangible assets	**-**	**1,294**

Reconciliation of carrying amounts of intangible assets		
Balance at the beginning of the year	1,294	7,758
Additions	-	-
Disposals	-	-
Amortisation	(1,294)	(6,464)
Carrying amount at end of the year	-	1,294

	2021	2020
	$	$

NOTE 7 LIABILITIES

Note 7A: Trade and other payables

	2021 $	2020 $
Trade creditors	73,207	44,225
Subtotal trade creditors	**73,207**	**44,225**
Payables to other reporting units	-	-
Subtotal payables to other reporting units	-	-
Total trade payables	**73,207**	**44,225**
Other payables:		
Accrued expenses	17,999	115,530
Superannuation and PAYG payable	94,330	62,035
Deferred lease incentive	-	-
GST payable to the ATO	-	-
Lease Liability	504,569	600,282
Other payables	28 414	32,598
Total other payables	**645,312**	**810,445**
Total trade and other payables	**718,519**	**854,670**
Total payables are expected to be settled in:		
No more than 12 months	318,180	350,101
More than 12 months	400,339	504,569
Total payables	***718,519***	***854,670***

The average credit period is 30 days (2020: 30 days). No interest is charged on outstanding amounts.

Note 7B: Other liabilities

	2021 $	2020 $
Prepaid income	168,811	232,634
Total other liabilities	**168,811**	**232,634**

	2021	2020
	$	$

NOTE 8 PROVISIONS

Note 8A: Employee Provisions

Office holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other expenses	-	-
Employees other than office holders:	-	-
Annual leave	245,166	206,996
Long service leave	333,474	318,497
Separations and redundancies	-	-
Other expenses	-	-
Total employee provisions	**578,640**	**525,493**
Current	557,190	510,036
Non Current	21,450	15,457
Total employee provisions	***578 640***	***525,493***

NOTE 9 EQUITY

Note 9A: Reserves

Reserve for Legal Services (a)	475,000	475,000
Balance as at start of year		
Transferred to/(from) reserve	-	-
Balance as at end of year	**475,000**	**475,000**
Reserve for Major Contingency (b)		
Balance as at start of year	**250,000**	**250,000**
Transferred to/(from) reserve	-	-
Balance as at end of year	**250,000**	**250,000**
Total reserves	**725,000**	**725,000**

(a) Reserve for Legal Services

The legal services reserve was established in prior years to record amounts set aside to ensure that any unexpected legal costs of a material nature can be paid.

(b) Reserve for Major Contingency

The major contingency reserve was established in prior years to record amounts set aside to ensure that any unexpected costs of a material nature can be paid.

	2021	2020
NOTE 9 EQUITY	$	$

Note 9B: Accumulated Surplus

Accumulated surplus at the beginning of the financial year	2,782,910	2,706,519
Surplus for the year	272,330	76,391
Accumulated surplus at the end of the financial year	**3,055,240**	**2,782,910**

Note 9C: Investment Revaluation Reserve

Balance at the beginning of the financial year	(52,726)	(31,956)
Gain/ (Loss) on equity instruments designated at FVTOCI	194,511	(20,770)
Balance at the end of the financial year	**141,785**	**(52,726)**

NOTE 10 CASH FLOW

Note 10A: Cash Flow Reconciliation

Cash and cash equivalents as per:		
Cash flow statement	1,009,352	843,632
Balance sheet	1,009,352	843,632
Difference	-	-
Reconciliation of result to net cash from operating activities:		
Surplus from ordinary activities	272,330	76,391
Adjustments for non-cash items:		
Depreciation and amortisation	159,774	136,275
Changes in assets and liabilities:		
(Increase) / decrease in receivables	(90,618)	148,337
Decrease in other assets	72,097	22,965
Increase / (decrease) in payables	(104,261)	7,997
Increase in employee provisions	53,147	114,487
Net cash from (used by) operating activities	**362,469**	**506,452**

Note 10B: Cash flow information

Cash inflows		
Australian Higher Education Industrial Association	2,848,126	3,045,997
Total cash inflows	**2,848,126**	**3,045,997**
Cash outflows		
Australian Higher Education Industrial Association	2,682,406	2,560,315
Total cash outflows	**2,682,406**	**2,560,315**

	2021	2020
	$	$

NOTE 11 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

Note 11A: Commitments

The Association has no commitments as at 31 December 2021.

Note 11B: Contingencies

The Association had no contingent assets or liabilities as at 31 December 2021 (2020: nil).

NOTE 12 RELATED PARTY DISCLOSURES

Note 12A: Related Party Transactions for the Reporting Period

There were no related party transactions, loans to/from related parties, and trade receivables from or trade payables to related parties during the current and previous financial year.

Note 12B: Key Management Personnel Remuneration for the Reporting Period

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

	2021 $	2020 $
Short-term employee benefits	261,530	230,240
Post-employment benefits	-	-
Termination benefits	-	-
	261,530	230,240

NOTE 13 REMUNERATION OF AUDITORS

	2021 $	2020 $
Value of the services provided		
Financial statement audit services	13,696	11,950
Other Services	-	-
Total remuneration of auditors	**13,696**	**11,950**

NOTE 14 FINANCIAL INSTRUMENTS

This note presents information about the Association's financial instrument risk management objectives, policies and processes for measuring and managing risk.

The Executive Committee has responsibility for the establishment and oversight of the risk management framework to identify and analyse the risks faced by the Association.

The Association's principal financial instruments comprise cash and short-term deposits, fair value through profit or loss assets and accounts receivable/payable. At the end of the 2021 financial year, the Association had investments of $2,997,147 (2020: $2,703,740 managed through MLC Masterkey Investment) in managed funds through BT Panorama Investments. These funds are managed by third parties to achieve the growth targets set by the Committee of Management, which evaluates the performance of its portfolio based on reports received from the external financial advisor.

The Association's activities expose it primarily to the financial risks of changes in interest rates, price risk, liquidity risk and credit risk. The Association does not enter into or trade financial instruments including derivative financial instruments for speculative purposes. The Executive Committee reviews and agrees policies for managing each of these risks and undertakes regular monitoring of the performance of its financial assets and liabilities.

Note 14A: Categories of Financial Instruments

Financial assets	Note	Category	2021	2020
			$	$
Cash and cash equivalents	5A	Financial assets measured at amortised cost	1,009,352	843,632
Term Deposits	5C	Financial assets measured at amortised cost	565,000	565,000
Trade Receivables	5B	Financial assets measured at amortised cost	184,949	97,303
Managed Investment Portfolio	5C	Fair value through other comprehensive income	2,997,147	2,703,740
Financial Liabilities				
Trade Payables	7A	Financial liabilities measured at amortised cost	73,207	44,225

	2021	2020
	$	$

NOTE 14 FINANCIAL INSTRUMENTS (CONTINUED)

Note 14B: Net Income and Expense from Financial Assets

Cash and cash equivalents		
Interest revenue	698	755
Net gain on cash and cash equivalents	**698**	**755**
Term deposits		
Interest revenue	1,475	7,175
Net gain on term deposits	**1,475**	**7,175**
Equity investments		
Investment income	98,941	104,035
Net gain on equity investments	**98,941**	**104,035**
Equity investments designated as fair value through other comprehensive income		
(Loss) / gain in value of equity investments	194,511	(20,770)
Net (loss) / gain on equity investments	**194,511**	**(20,770)**
Net gain/(loss) from financial assets	**295,625**	**91,195**

Note 14C: Fair Value of Financial Instruments

	Carrying amount 2021	Fair value 2021	Carrying amount 2020	Fair value 2020
	$	$	$	$
Financial Assets				
Cash and cash equivalents	1,009,352	1,009,352	843,632	843,632
Trade receivables	184,949	184,949	97,303	97,303
Investments - term deposits	565,000	565,000	565,000	565,000
Investments - FVTOCI	2,997,147	2,997,147	2,703,740	2,703,740
Total	**4,756,448**	**4,756,448**	**4,209,675**	**4,209,675**

The Committee of Management consider that the carrying amount of financial assets and liabilities recorded in the financial statements approximate their fair value.

FAIR VALUE MEASUREMENTS CATEGORISED BY FAIR VALUE HIERARCHY

The following table provides an analysis of financial instruments that are measured at fair value, by valuation method. The different levels are defined below:

Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments indirectly.

Level 2: Fair value derived from inputs other than quoted prices included within Level 1 thatare observable for the instrument, either directly or

Level 3: Fair value derived from inputs that are not based on observable market data.

NOTE 14 FINANCIAL INSTRUMENTS (CONTINUED)

Note 14C: Fair Value of Financial Instruments (continued)

Fair value hierarchy for financial assets

	LEVEL 1		LEVEL 2		LEVEL 3	
	2021	2020	**2021**	2020	**2021**	2020
Managed investment portfolio	2,997,147	2,703,740	-	-	-	-
Total	2,997,147	2,703,740	-	-	-	-

Note 14D: Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Association. The Association has adopted a policy of only dealing with creditworthy counter parties as a means of mitigating the risk of financial loss from defaults. The Association's exposure is continuously monitored and limits reviewed annually.

Trade receivables consist of a large number of members and customers, spread across diverse industries and geographical areas. The Association does not have any significant credit risk exposure to any single party or any economic entity of counter parties having similar characteristics.

The credit risk on liquid funds is limited because the counter parties are recognized banking institutions. Trade receivables are concentrated in Australia. 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 of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

Note 14E: Liquidity Risk

Ultimate responsibility for liquidity risk management rests with the Executive Committee, who has in place a framework to management the Association's short, medium and long term funding and liquidity. The Association manages the liquidity risk by maintaining adequate cash reserves and by continuously monitoring forecast and actual cash flows by matching the maturity profiles of financial assets and liabilities. Given the current surplus cash assets, liquidity risk is considered to be minimal.

Note 14F: Market Risk

The Association is exposed to equity securities price risk through the managed funds held with MLC Masterkey Investment. This arises from investments held by the Association and classified on the statement of financial position as fair value through profit and loss. The Association is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Association diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Executive Committee based on advice provided by external financial advisor. The majority of the Association's equity investments are publicly traded funds.

Interest rate risk

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

NOTE 14 FINANCIAL INSTRUMENTS (CONTINUED)

Note 14F: Market Risk (continued)

Interest rate risk

	Floating Interest Rate		Non Interest Bearing		Total	
	2021	2020	**2021**	2020	**2021**	2020
Financial Assets:	$	$	$	$	$	$
Cash	1,009,152	843,432	200	200	1,009,352	843,632
Term deposits	565,000	565,000	-	-	565,000	565,000
Investment – fair value through OCI	2,997,147	2,703,740	-	-	2,997,147	2,703,740
Trade and other receivables	-	-	184,949	97,303	184,949	97,303
Total Financial Assets	4,571,299	4,112,172	185,149	97,503	4,756,448	4,209,675

Financial Liabilities:						
Trade and other payables	-	-	73,207	44,225	73,207	44,225
Total Financial Liabilities	-	-	73,207	44,225	73,207	44,225

Price risk

The Association is exposed to equity securities price risk through the managed funds held with MLC Masterkey Investment. This arises from investments held by the Association and classified on the statement of financial position as fair value through other comprehensive income. The Association is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Association diversifies its portfolio. Diversification of the portfolio is completed in accordance with the limits set by the Executive Committee based on advice provided by the external financial advisor. The majority of the Association's equity investments are publicly traded funds.

		Interest rate risk				**Other price risk**			
		(1%)	(1%)	1%	1%	(5%)	(5%)	5%	5%
2021		Net result	Equity	Net result	Equity	Net result	Equity	Net result	Equity
Cash and cash equivalents	1,009,152	(10,092)	(10,092)	10,092	10,092	-	-	-	-
Other financial assets	2,997,147					(149,857)	(149,857)	149,857	149,857
Total	4,006,299	(10,092)	(10,092)	10,092	10,092	(149,857)	(149,857)	149,857	149,857

		Interest rate risk				**Other price risk**			
		(1%)	(1%)	1%	1%	(5%)	(5%)	5%	5%
2020		Net result	Equity	Net result	Equity	Net result	Equity	Net result	Equity
Cash and cash equivalents	843,432	(8,434)	(8,434)	8,434	8,434	-	-		-
Other financial assets	2,703,740	-		-	-	(135,187)	(135,187)	135,187	135,187
Total	3,547,172	(8,434)	(8,434)	8,434	8,434	(135,187)	(135,187)	135,187	135,187

NOTE 15 INFORMATION TO BE PROVIDED TO MEMBERS

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 reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
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. A reporting unit must comply with an application made under subsection (1).

NOTE 16 ASSOCIATION DETAILS

The principal place of business of the Association is:

Australian Higher Education Industrial Association

Level 6, 303 Collins Street
Melbourne Victoria 3000

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

Level 6, 303 Collins Street Melbourne, Victoria 3000

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