



18 July 2022

Adam Lampe
Branch Secretary
Australian Education Union - Northern Territory Branch
Sent via email: secretary@aeunt.org.au
CC: Munli.chee@meritpartners.com.au

Dear Adam Lampe,

**Australian Education Union - Northern Territory Branch
Financial Report for the year ended 31 December 2021 – (FR2021/312)**

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Australian Education Union - Northern Territory Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 14 June 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.

Please note that the financial report for the year ending 31 December 2022 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comment to assist you when you next prepare a financial report.

Disclosure relating to donations expensed

During the initial review of the financial report, I noted that the Note 4E: *Grants or donations* within the notes to the financial statements presented an amount of \$1,050 for *donations expensed that exceeded \$1,000* and presented a nil amount for *donations expensed less than \$1,000*. There appeared to be a discrepancy when a comparison was made with the loans, grants and donations statement (**LGD statement**) which disclosed an amount of \$1,100 as *donations exceeding \$1,000*. The total of the LGD statement was made up of two donations of \$550 each, however these donations were not required to be disclosed in the LGD statement which requires disclosure of donations exceeding \$1,000 only.

On 4 July 2021, I contacted you to seek clarification regarding the discrepancy.

I received confirmation from you on 15 July 2022 that the figures presented in the financial report were incorrect. The correct figures would be a nil amount for *donations expensed that exceeded \$1,000* and an amount of \$1,100 for *donations expensed less than \$1,000*.

Please ensure that the correct figures are disclosed in future financial reports.

Related party disclosures

AASB 124 *Related Party Disclosures* paragraph 18 states that when an entity has had related party transactions during the reporting period it must disclose the nature of the related party relationship, as well as information about those transactions and outstanding balances including commitments.

Note 12A: *Related party disclosures* within the notes to the financial statements discloses that there were no transactions with related parties. However, Note 4B: *Capitation fees and other fees to another reporting unit* and Note 10B: *Cash flow information* discloses transactions with the Federal Office which is a related party of the reporting unit.

Please ensure in future years that the related party disclosure note is consistent with the rest of the financial report.

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 (03) 9603 0841 or by email at Mihiri.jayawardane@roc.gov.au.

Yours sincerely,



Mihiri Jayawardane
Registered Organisations Commission

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
DESIGNATED OFFICER'S CERTIFICATE**

Certificate for the year ended 31 December 2021

I, Adam Lampe, being the Secretary of the NT Branch of the Australian Education Union, certify:

- that the documents lodged herewith are copies of the full report for the NT Branch of the Australian Education Union for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 31 May 2022; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 10 June 2022 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: *A. Lampe*
Name of prescribed designated officer: *Adam Lampe*
Title of prescribed designated officer: *Branch Secretary*
Dated: *14.06.2022*

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ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

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ABN: 64 406 978 451

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
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Independent Audit Report to the Members of NT Branch of the Australian Education Union.

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of NT Branch of the Australian Education Union (the reporting unit), which comprises the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2021, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the NT Branch of the Australian Education Union as at 31 December 2021, and its financial performance and its cash flows for the year ended on that date in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

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 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.

Responsibilities of Committee of Management for the Financial Report

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

In preparing the financial report, the committee of management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

Auditor's 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 the Australian Auditing Standards, I exercise professional judgement 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.

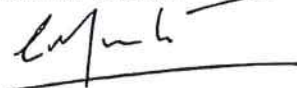
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit 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 audit. I remain solely responsible for my audit opinion.

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.

Merit Partners

Merit Partners



MunLi Chee
Partner

Darwin
31 May 2022

Registration number (as registered by the Commissioner under the RO Act) : AA2021/6

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
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Report required under subsection 255(2A)

The committee of management presents the expenditure report¹ as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2021.

Categories of expenditures	2021 (\$)	2020 (\$)
Remuneration and other employment-related costs and expenses – employees	814,815	797,227
Advertising	3,432	7,158
Operating costs	667,150	500,749
Donations to political parties	–	–
Legal costs	–	8,906

Signature of designated officer: *A. Lampe*

Name and title of designated officer: *Adam Lampe Branch Secretary*

Dated: *31.05.2022*

Operating report

The committee of management presents its operating report on the reporting unit for the year ended 31 December 2021.

Committee members

The names of the committee members (the Branch Executive) throughout the year and at the date of this report are:

- Jarvis Ryan Branch President
- Adam Lampe Branch Secretary
- Stephen Pelizzo Vice-President (General) (End of term of office 02/03/21)
- Michael Pearson Vice-President (General) (Commenced 02/03/21)
- Delean Holtze Vice-President (TAFE)
- Julie Danvers Treasurer
- Melody O'Meara Women's Officer (Commenced 19/08/21)
- Cassandra Brown Councillor representing Indigenous members (End of term 02/03/21)
- Cassandra Brown Councillor representing Indigenous members (Commenced 19/08/21)
- Ken Guest Regional Councillor
- Bruce Cameron Regional Councillor
- Michael Pearson Regional Councillor (Ineligible from 19/02/21- change of regions)
- Brian Gray Regional Councillor (Commenced 12/03/21)
- Nim Jayawardhana Regional Councillor (Commenced 01/06/21)
- Michael Stimpson Regional Councillor
- Rachel Jay Regional Councillor
- Candace Loane Regional Councillor
- Deborah Lamb Regional Councillor
- Melissa Rabar Regional Councillor
- Michelle Ayers Regional Councillor
- Shanelle Lee Regional Councillor
- Rachael Metcalfe Regional Councillor
- Matthew Guy Regional Councillor
- Gillian Furniss Regional Councillor

The members served for the entire year except where otherwise specified.

Principal activities

The AEU is a professional and industrial organisation, registered under the *Fair Work (Registered Organisations Act) 2009*, representing teachers and education workers in public educational facilities.

The AEU is a democratic, federated structure, with a Federal Office based in Melbourne and branches in each state and territory in Australia.

Operating report (continued)

Principal activities (continued)

The AEU NT Branch has the following objectives:

- To increase Government funding to public education facilities
- Protect and promote quality teaching and learning
- Protect and enhance the industrial rights of AEU NT members
- To achieve pay and working conditions conducive to the retention and recruitment of public education workers to the Northern Territory.
- Promote human rights and social justice

The core day-to-day activity of the Branch office continued to be providing support to members with individual issues relating to their employment. However, in the second half of the year, enterprise bargaining commenced for education support staff, educators and VET lecturers at Charles Darwin University and Bachelor Institute for Indigenous Tertiary Education, so that also become an important focus for the Branch office.

Our CRM database details the 297 member cases that were opened in 2021. Pay & Conditions dominated, as usual, with 116 or 39%. Health & Safety declined to 20 cases or 6.7%, as the NT moved along the road of understanding Covid19 and Grievances stayed steady at 15 cases or 5.1%.

To contrast, member case numbers for 2020 where:

Total = 303 Cases
Pay & Conditions = 29%
Grievances = 5%
Health & Safety = 9%

The Branch Executive receives more detailed breakdowns and discusses trends in issues at its regular meetings.

Teacher bargaining log of claims was finalised in the first half of the year. Bargaining for a new enterprise agreement for teachers and assistant teachers and non-contract principals began on Friday 24 June. The Log was developed through adapting resolutions adopted by the last two Branch Conferences, as well as engaging about 800 members who completed an extensive survey earlier in the year, providing valuable information for bargaining. On 19 November, the Branch Executive unanimously rejected the Employer's offer of a four-year pay freeze. On 29 November the Commissioner postponed a planned employee ballot due to the school holidays, so schools finished the year with bargaining unresolved.

Unfortunately, those school support staff members attached to the Northern Public Service General Agreement were forced to accept the wage freeze due to the majority of NT public servants voting for it. However, the union was able to secure clarity around administrative officers' level of duty of care in schools in the new NTPS EA.

Operating report (continued)

Principal activities (continued)

The AEU NT has a small, loyal group of members at Batchelor Institute. The AEU works collaboratively with our sister unions, NTEU and United Workers Union to advance the interests of all union members of the Institute. Whilst no longer making press "headlines" with financial and governance problems, the Institute operated without a permanent CEO. Obtaining a much-needed pay rise in conjunction with a refreshed Enterprise Agreement continued to be the priorities of all three unions in 2021.

Enterprise bargaining had a poor start at Charles Darwin University. The single bargaining unit, comprising the National Tertiary Education Union, the AEU NT, the United Workers Union and the AMWU, developed an extensive log of claims, but due to resignations of senior University management, negotiations stalled in November.

Issues arising from COVID-19 focused on the slow vaccine rollout, especially for teachers, and the vaccine mandate. The implementation of the mandate was punitive and inflexible and did not take into account individuals' circumstances. Toward the end of the year the AEU NT provided legal support to a small group of members who were sacked while on some form of approved leave because they did not meet the Mandate requirements.

Violence against teachers escalated, especially in remote communities. Due to lack of employer action on occupational violence in schools, the Union, along with the NT Council of Government School Organisations raised the issue more broadly in the media. As a consequence, in term four the Department of Education formed the Occupational Violence in Schools Taskforce with a variety of stakeholders, including the AEU NT.

Results of activities

Important achievements resulting from union activity included:

The Department of Education formalised changes to school calendar arrangements for the 2023-2027 period. This follows an earlier decision to return to four 10-week terms in response to employee feedback.

These latest changes come in response to lobbying by the AEU NT on behalf of members and were a win for urban teaching staff. The newly gazetted dates will see remote and urban schools operate on the same calendar from 2023 (Gunbalanya excepted), with urban schools no longer commencing a day earlier than remote.

This will end the practice in some years of urban teaching staff having to commence the working year by attending a professional development day on a Friday (or even a Thursday) ahead of an Australia Day long weekend. Like remote schools currently do, urban schools will now finish on a Friday instead of a Thursday at the end of the year, starting from 2022.

Operating report (continued)

Results of activities (continued)

The AEU fought to restore permanent employment arrangements for principals. In our last round of bargaining, the union secured a commitment to review principal classifications. In 2019 we spearheaded a push for permanency in response to the government's executive contract pay freeze.

These efforts culminated in 2021 with the announcement of a new seven-grade principal classification structure which commenced in Term 3.

Some of the improvements in the new arrangements included:

A fairer and more transparent classification structure, with descriptors explaining principal levels; all principals to have the option to be employed permanently (a contract option to remain for the four highest grades); ongoing principals to have six weeks of stand down in addition to six weeks of recreation leave; all principals to have access to a higher pay point within their classification; remote principals who become ongoing will be entitled to teacher EA allowances such as the Remote Incentive Allowance.

Many small schools were reclassified upwards in the review, in recognition that the work of principals in these schools was undervalued. Effectively this meant that many principals in small schools received well-deserved salary increases (although, in some cases, they had to apply for and win their position again through a closed merit process).

For those principals whose schools have been reclassified downwards, transitional arrangements meant there will be opportunities to win a position at their old level. The AEU NT supported principal members requiring advice during this transition period.

These new classification structure will be embedded in the next teacher enterprise agreement – a hotly be a topic during bargaining but a win for the Union.

Members in Katherine township were concerned about the impact of the phasing out of old head leasing arrangements on teacher recruitment and retention. In response to pressure from the AEU NT, the Department agreed to bring forward a planned review of housing arrangements in the town. A third- party consultant was identified and commenced work in Term 3.

Significant changes

There were no significant changes in the nature of these activities and the financial affairs during the year.

Operating report (continued)

Right of members to resign

Members may resign from the union in accordance with Federal Rule 17, which reads as follows:

"17 - Resignation from membership and termination of eligibility

- (1) Subject to sub-rule 17(1A) a member becomes ineligible for membership of the Union when he/she no longer meets the conditions of eligibility for membership of the Union.
- (1A) The following persons shall after the date referred to in sub-rule 5(12) be eligible to retain membership of the Union notwithstanding the fact that they are no longer eligible for membership within the conditions of eligibility for membership set out in rule 5:
 - (a) members who are eligible for membership pursuant to paragraphs 5(3)(a), (b) or (c) and are -
 - (i) seconded by their employer to non-teaching duties, or
 - (ii) appointed by the Minister for Education to any Board, Committee or statutory authority;
 - (b) members who were formerly eligible for membership pursuant to paragraph 5(4)(a), (b) or
 - (c) and have commenced to be employed elsewhere in the Victorian Education Department or in a technical and further education institution or by the Technical and Further Education Board or are seconded by their employer to perform professional duties requiring teacher qualifications;
 - (d) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d); provided that persons who are entitled to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.
- (2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.
- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.
- (4) A notice of resignation from membership takes effect:-
 - (a) where the member ceases to be eligible to become a member of the Union -
 - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
 - (ii) 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; or
 - (b) in any other case -
 - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice; whichever is later.

Operating report (continued)

Right of members to resign (continued)

- (5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a year before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- (8) A resignation from membership is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.
- (10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.
- (11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."

Membership and employee numbers

The number of members as of 31 December 2021 was 1833 (the equivalent figure for 2020 was 1889).

The number of full-time equivalent employees of the Branch in 2021 was six, including two elected full-time officers.

Superannuation trustees

To the best of the Federal Executive's belief and knowledge, no officer or member of the organisation, by virtue of their office or membership of the Australian Education Union is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme:
or
- (ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme: and
- (iii) where the criterion for the officer or member being a trustee or director is that the officer or member is an officer or member of a registered organisation.

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Operating report (continued)

Operating results

The loss of the Branch for the financial year after providing for income tax amounted to \$62,267.

After balance date events

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations, or the state of affairs of the Branch in future financial years.

Signed in accordance with a resolution of the Branch Executive:

Signature of designated officer: A. Lampe

Name and title of designated officer: Adam Lampe Branch Secretary

Dated: 31.05.2022

Committee of management statement

On 27 / 05 / 2022 the Committee of Management of the NT Branch of the Australian Education Union passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 31 December 2021:

The Committee of Management declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
 - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer: A. Lampe

Name and title of designated officer: Adam Lampe Branch Secretary

Dated: 31.05.2022

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Statement of comprehensive income

for the year ended 31 December 2021

	Notes	2021 \$	2020 \$
Revenue from contracts with customers	3		
Membership subscriptions		1,445,851	1,416,519
Capitation fees and other revenue from another reporting unit		-	-
Levies		-	-
Total revenue from contracts with customers		1,445,851	1,416,519
Income for furthering objectives			
Grants and/or donations		-	-
Income recognised from volunteer services		-	-
Total income for furthering objectives		-	-
Other Income			
Net gains from sale of assets	3A	10,909	-
Revenue from recovery of wages activity		-	-
Investment income	3B	4,050	9,069
Other income	3C	4,125	100,136
Total other income		19,084	109,205
Total income		1,464,935	1,525,724
Expenses			
Employee expenses	4A	814,815	797,227
Capitation fees and other expense to another reporting unit	4B	68,637	63,891
Affiliation fees	4C	11,985	10,986
Administration expenses	4D	538,229	320,675
Grants or donations	4E	1,050	1,000
Depreciation and amortisation	4F	41,782	48,069
Finance costs	4G	7,499	7,694
Legal costs	4H	-	8,908
Other expenses	4I	31,755	44,990
Audit fees	13	11,450	10,600
Total expenses		1,527,202	1,314,040
(Deficit) / Surplus for the year		(62,267)	211,684
Other comprehensive income			
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	(86,800)
Total comprehensive (loss) / income for the year		(62,267)	124,884

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

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Statement of financial position

as at 31 December 2021

	Notes	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	5A	802,472	845,154
Trade and other receivables	5B	10,117	50,631
Other current assets	5C	28,912	27,212
Total current assets		841,501	922,997
Non-current assets			
Property, plant and equipment	6A	623,934	599,371
Other financial assets	6B	0	10
Total non-current assets		623,934	599,381
Total assets		1,465,436	1,522,378
LIABILITIES			
Current liabilities			
Trade payables	7A	15,950	28,082
Other payables	7B	52,372	70,218
Employee provisions	8A	95,376	60,074
Total current liabilities		163,698	158,374
Total liabilities		163,698	158,374
Net assets		1,301,738	1,364,004
EQUITY			
Revaluation reserve	9	172,811	172,811
Retained earnings		1,128,926	1,191,193
Total equity		1,301,737	1,364,004

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

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Statement of changes in equity

for the year ended 31 December 2021

	Notes	Revaluation reserve \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2020		259,611	979,509	1,239,120
Surplus for the year		-	211,684	211,684
Other comprehensive income	9	(86,800)	-	(86,800)
Closing balance as at 31 December 2020		172,811	1,191,193	1,364,004
(Deficit) for the year		-	(62,267)	(62,267)
Other comprehensive income		-	-	-
Closing balance as at 31 December 2021		172,811	1,128,926	1,301,737

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

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Statement of cash flows

for the year ended 31 December 2021

	Notes	2021 \$	2020 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from customers		1,444,570	1,414,403
Donations and Grants			
Receipts from other reporting unit/controlled entity(s)	10B	-	-
Interest		4,050	9,463
Other		4,125	58,342
Cash used			
Employees		(832,661)	(790,868)
Suppliers		(538,693)	(393,331)
Payment to other reporting units	10B	(68,637)	(63,891)
Net cash from operating activities	10A	12,754	234,118
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		10,909	-
Cash used			
Purchase of plant and equipment		(66,345)	(24,930)
Net cash (used by) investing activities		(55,436)	(24,930)
FINANCING ACTIVITIES			
Net cash from / (used by) financing activities		-	-
Net (decrease) / increase in cash held		(42,682)	209,188
Cash & cash equivalents at the beginning of the reporting period		845,154	635,966
Cash & cash equivalents at the end of the reporting period	5A	802,472	845,154

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

Index to the notes of the financial statements

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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period, and the *Fair Work (Registered Organisation) Act 2009 (RO Act)*. For the purpose of preparing the general purpose financial statements, the NT Branch of the Australian Education Union ("the Branch") is a not-for-profit entity.

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis, 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 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Valuation of land and building

Land and building were independently valued at 10 November 2020 by an external valuer. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and building, the current strong demand for land and building in the area and recent sales data for similar properties. The valuation resulted in a revaluation decrement of \$86,800 being recognised for the year ended 31 December 2020. The Branch assessed the revaluation as at 31 December 2020 to be applicable as at 31 December 2021.

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1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standards and amendments

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

Future Australian Accounting Standards

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

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

This Standard amends AASB 101 *Presentation of Financial Statements* 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 2023. Earlier application is permitted. The Branch does not expect the adoption of this amendment to have a material impact on its financial statements.

1.5 Current versus non-current classification

The Branch presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or

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- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

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

The Branch classifies all other liabilities as non-current.

1.6 Revenue

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

If there is only one distinct membership service promised in the arrangement, the Branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Branch 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 Branch allocates the transaction price to each performance obligation based on the relative standalone selling price 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 Branch 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

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course), the Branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Branch 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 Branch at their standalone selling price, the Branch accounts for those sales as a separate contract with a customer.

Capitation fees

Where the Branch arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the Branch recognises the capitation fees promised under that arrangement when or as it transfers to the Australian Education Union -federal Office.

In circumstances where the criteria for a contract with a customer are not met, the Branch will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

Levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the Branch transfers the *[reporting unit to specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit]*.

In circumstances where the criteria for a contract with a customer are not met, the Branch will recognise levies as income upon receipt (as specified in the income recognition policy below).

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

Consideration is received by the Branch to enable the entity to further its objectives. The Branch recognises each of these amounts of consideration as income when the consideration is received (which is when the Branch 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 Branch recognition of the cash contribution does not give rise to any related liabilities.

The Branch receives cash consideration from the following arrangements whereby that consideration is recognised as income upon receipt:

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- donations and voluntary contributions from members (including whip arrounds); and
- government grants.

Volunteer services

The Branch receives volunteer services. In those circumstances where the fair value of the volunteer services can be measured reliably, the Branch recognises the fair value of volunteer services received as income together with a corresponding expense where the economic benefits of the volunteer services are consumed as the services are acquired. Where the volunteer services contribute to the development of an asset, the fair value is included in the carrying amount of that asset.

During the year, the Branch did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.

Income recognised from transfers to acquire or construct a non-financial asset

Where, as part of an enforceable agreement, the Branch receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for the Branch's own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically at a point in time for acquired assets and over time for constructed assets. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

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 comprehensive income when the asset is derecognised.

Interest income

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

1.7 Employee benefits

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

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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 Branch in respect of services provided by employees up to reporting date.

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

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

1.8 Cash

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

1.9 Financial instruments

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

1.10 Financial assets

Receivables

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).

Receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

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Financial assets are classified, at initial recognition, and subsequently measured at amortised cost.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Branch's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Branch 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 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 Branch's 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 Branch commits to purchase or sell the asset.

Subsequent measurement - Financial assets at amortised cost

The Branch measures financial assets at amortised cost if both of the following conditions are met:

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

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

The Branch's financial assets at amortised cost includes cash and cash equivalent and trade receivables.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired; or

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- the Branch 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 Branch has transferred substantially all the risks and rewards of the asset; or
 - b) the Branch has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Branch 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 Branch 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 (ECLs) 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 Branch applies a simplified approach in calculating ECLs which requires lifetime ECLs to be recognised from initial recognition of the receivables.

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

1.11 Financial Liabilities

Initial recognition and measurement

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Financial liabilities are classified, at initial recognition, at amortised cost.

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 Branch's financial liabilities include trade and other payables.

Subsequent measurement - Financial liabilities at amortised cost

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

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

Derecognition

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

1.12 Land, building, plant and equipment

Asset recognition threshold

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

Revaluations — land and building

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

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that

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was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

1.12 Land, buildings, plant and equipment (continued)

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 useful lives:

	2021	2020
Land & buildings	50 years	50 years
Plant and equipment	5 to 6 years	5 to 6 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

1.13 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated, and an impairment adjustment made if the asset's recoverable amount is less than the 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 Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

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1.14 Taxation

The Branch 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 (ATO); and
- for receivables and payables.

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

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

1.15 Fair value measurement

The Branch measures financial instruments, such as, financial assets as at fair value through profit or loss, financial assets at fair value through other comprehensive income, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A *Financial assets and liabilities*.

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.16 Going concern

The Branch's future operations are dependent upon the continued support of its members and the achievement of operating surpluses and positive operating cash flows. Despite reporting a modest deficit for the year ended 31 December 2021, the Committee of Management has resolved that the Branch is a going concern as the Branch has no reason to believe that the support from members will not continue in the foreseeable future.

The Branch is not reliant on the agreed financial support of another entity to continue on a going concern basis. The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

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

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2021 2020
 \$ \$

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Branch's revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

<i>Type of customer</i>		
Members	1,445,851	1,416,519
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total revenue from contracts with customers	1,445,851	1,416,519

Disaggregation of income for furthering activities

A disaggregation of the Branch's income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

<i>Income funding sources</i>		
Members	-	-
Other reporting units	-	-
Government	-	-
Other parties	-	-
Total income for furthering activities	-	-

Note 3A: Net gains from sale of assets

Plant and equipment	10,909	-
Total net gain from sale of assets	10,909	-

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	2021	2020
	\$	\$
Note 3B: Investment income		
Interest received	4,050	9,069
Total investment income	<u>4,050</u>	<u>9,069</u>
Note 3C: Other income		
Cash Flow Boost	-	100,000
Promotional merchandise	-	136
Sponsorship income	4,125	-
Total other income	<u>4,125</u>	<u>100,136</u>
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	300,150	260,510
Superannuation	28,951	27,653
Leave and other entitlements	35,223	37,118
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	<u>364,324</u>	<u>325,281</u>
Employees other than office holders:		
Wages and salaries	409,161	401,722
Superannuation	38,685	38,724
Leave and other entitlements	2,645	31,500
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	<u>450,491</u>	<u>471,946</u>
Total employee expenses	<u>814,815</u>	<u>797,227</u>
Note 4B: Capitation fees and other expense to another reporting unit		
Australian Education Union-Federal Office	68,637	63,891
Subtotal capitation fees and other expense to another reporting unit	<u>68,637</u>	<u>63,891</u>
Note 4C: Affiliation fees		
NT Trades and Labour Council	11,985	10,986
Total affiliation fees/subscriptions	<u>11,985</u>	<u>10,986</u>

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	2021	2020
	\$	\$
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies (AUSEDTAFE/publication levy)	7,512	9,138
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	140,761	96,257
Contractors/consultants	-	-
Property expenses	3,436	4,473
Office expenses	20,835	26,080
Information communications technology	16,880	15,708
Other	348,805	169,019
Subtotal administration expense	<u>538,229</u>	<u>320,675</u>
Operating lease rentals:		
Short term, low value and variable lease payments	-	-
Total administration expenses	<u>538,229</u>	<u>320,675</u>

Note 4E: Grants or donations

Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	1,000
Total expensed that exceeded \$1,000	1,050	-
Total grants or donations	<u>1,050</u>	<u>1,000</u>

Note 4F: Depreciation and amortisation

Depreciation		
Land & building	6,600	8,300
Property, plant and equipment	35,182	39,769
Total depreciation	<u>41,782</u>	<u>48,069</u>
Total amortisation	-	-
Total depreciation and amortisation	<u>41,782</u>	<u>48,069</u>

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	2021	2020
	\$	\$
Note 4G: Finance costs		
Bank charges/credit card merchant fee	7,499	7,694
Unwinding of discount	-	-
Total finance costs	<u>7,499</u>	<u>7,694</u>

Note 4H: Legal costs

Litigation	-	-
Other legal costs	-	8,908
Total legal costs	<u>-</u>	<u>8,908</u>

Note 4I: Other expenses

Payroll Tax	31,755	44,990
Total other expenses	<u>31,755</u>	<u>44,990</u>

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	276,079	322,790
Cash on hand	76	97
Short term deposits	526,317	522,267
Total cash and cash equivalents	<u>802,472</u>	<u>845,154</u>

Note 5B: Trade and other receivables

Receivables from other reporting unit(s)		
None	-	-
Total receivables from other reporting unit(s)	<u>-</u>	<u>-</u>
Less allowance for expected credit losses		
None	-	-
Total allowance for expected credit losses	<u>-</u>	<u>-</u>
Receivable from other reporting unit(s) (net)	<u>-</u>	<u>-</u>

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 \$ \$

Note 5 Current Assets

Note 5B: Trade and other receivables (continued)

Other receivables:

ATO receivables	-	41,794
Other	10,117	8,837
Total other receivables	10,117	50,631
Total trade and other receivables (net)	10,117	50,631

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

At 1 January	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 31 December	-	-

Note 5C: Other current assets

Accrued interest	2,752	2,752
Prepayments	26,160	24,460
Total other current assets	28,912	27,212

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Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2021

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Property, Plant and Equipment: carrying amount	130,000	330,000	468,674	928,674
accumulated depreciation	-	(6,600)	(298,140)	(304,740)
Total Property, Plant and Equipment	130,000	323,400	170,534	623,934

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

Net book value 1 January 2021	130,000	330,000	139,371	599,371
Additions:				
By purchase	-	-	66,345	66,345
Depreciation expense	-	(6,600)	(35,182)	(41,782)
Net book value 31 December 2021	130,000	323,400	170,534	623,934
Net book value as of 31 December 2021 represented by:				
Gross book value	130,000	330,000	468,674	928,674
Accumulated depreciation and impairment	-	(6,600)	(298,140)	(304,740)
Net book value 31 December 2021	130,000	323,400	170,534	623,934

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

2020

	Land	Buildings	Plant and Equipment	Total
	\$	\$	\$	\$
Property, Plant and Equipment: carrying value	130,000	330,000	456,379	916,379
accumulated depreciation	-	-	(317,008)	(317,008)
Total Property, Plant and Equipment	165,000	330,000	139,371	599,371

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

Net book value 1 January 2020	165,000	390,100	154,210	709,310
Additions:				
By purchase	-	-	24,930	24,930
Revaluations	(35,000)	(51,800)	-	(86,800)
Depreciation expense	-	(8,300)	(39,769)	(48,069)
Net book value 31 December 2020	130,000	330,000	139,371	599,371
Net book value as of 31 December 2020 represented by:				
Gross book value	130,000	330,000	456,379	916,379
Accumulated depreciation and impairment	-	-	(317,008)	(317,008)
Net book value 31 December 2020	130,000	330,000	139,371	599,371

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

The revalued land and building consist of the property located at Unit 3(8) Totem Road Coconut Grove NT 0810. Management determined that these constitute one class of asset under AASB 13 *Fair Value Measurement*, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. The Branch assessed the revaluation as at 31 December 2020 to be applicable as at 31 December 2021.

Significant unobservable valuation input	Range
Price per square metre	\$1,800 - \$2,200

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

If the land and buildings were measured using the cost model, the carrying amounts would be, as follows:

	2021	2020
	\$	\$
Cost	431,449	431,449
Accumulated depreciation and impairment	(41,500)	(33,200)
Net carrying amount	389,949	398,249

	2021	2020
	\$	\$

Note 6B Other financial assets

Financial assets at fair value through profit or loss

Share in other companies	-	10
Total other financial assets	-	10

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	2021	2020
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	15,950	28,082
Subtotal trade creditors	<u>15,950</u>	<u>28,082</u>
Payables to other reporting unit(s)		
None	-	-
Subtotal payables to other reporting unit(s)	<u>-</u>	<u>-</u>
Total trade payables	<u><u>15,950</u></u>	<u><u>28,082</u></u>

Settlement is usually made within 30 days.

Note 7B: Other payables

PAYG Withholding payable	17,294	21,252
Superannuation payable	2,956	5,451
Legal costs		
Litigation	-	-
Other legal costs	-	-
GST payable	27,841	32,451
Other	4,281	11,064
Total other payables	<u><u>52,372</u></u>	<u><u>70,218</u></u>

Total other payables are expected to be settled in:

No more than 12 months	52,372	70,218
More than 12 months	-	-
Total other payables	<u><u>52,372</u></u>	<u><u>-70,218</u></u>

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	2021	2020
	\$	\$
Note 8		
Provisions		
Note 8A: Employee provisions		
Office holders:		
Annual leave	55,328	36,044
Long service leave	27,730	-
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	<u>83,058</u>	<u>36,044</u>
Employees other than office holders:		
Annual leave	12,318	24,030
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	<u>12,318</u>	<u>24,030</u>
Total employee provisions	<u>95,376</u>	<u>60,074</u>
Current	95,376	60,074
Non-current	-	-
<i>Total employee provisions</i>	<u>95,376</u>	<u>60,074</u>

Note 9 **Equity**

<i>Revaluation Reserve</i>		
Balance as at start of year	172,811	259,611
Transferred to reserve	-	-
Transferred out of reserve	-	(86,800)
Balance as at end of year	<u>172,811</u>	<u>172,811</u>

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Note 10 Cash Flow

Note 10A: Cash flow reconciliation

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

Cash and cash equivalents as per:

Cash flow statement	802,472	845,154
Balance sheet	802,472	845,154
<i>Difference</i>	-	-

Reconciliation of (deficit)/surplus to net cash from operating activities:

(Deficit)/Surplus for the year	(62,267)	211,684
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Adjustments for non-cash items

Depreciation/amortisation	41,782	48,069
Gain on disposal of assets	(10,909)	-

Changes in assets/liabilities

(Increase)/decrease in net receivables	40,524	(43,910)
(Increase)/decrease in prepayments/other current assets	(1,700)	(6,589)
Increase/(decrease) in supplier payables	(12,132)	10,686
Increase/(decrease) in other payables	(17,846)	4,687
Increase/(decrease) in employee provisions	35,302	9,491
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	12,754	234,118

Note 10B: Cash flow information

Cash inflows

From reporting unit/controlled entity – none	-	-
Total cash inflows	-	-

Cash outflows

AEU-Federal Office	68,637	63,891
Total cash outflows	68,637	63,891

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2021 2020
 \$ \$

Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and contingencies

The Branch has no non-cancellable commitments as at 31 December 2021 (2020: \$70,105 for the purchase of a motor vehicle).

The Branch has no contingent asset or liabilities as at 31 December 2021 (2020: Nil)

Note 12 Related Party Disclosures

Note 12A: Related party transactions for the reporting period

The Branch has not entered into any related party transactions other than key management remuneration as disclosed below.

2021 2020
 \$ \$

Note 12B: Key management personnel remuneration for the reporting period

Short-term employee benefits		
Salary (including annual leave taken)	300,150	297,628
Annual leave accrued	28,951	42,956
Superannuation	35,224	27,653
Total short-term employee benefits	<u>364,324</u>	<u>368,237</u>
Post-employment benefits:		
Superannuation	-	-
Total post-employment benefits	<u>-</u>	<u>-</u>
Other long-term benefits:		
Long-service leave	-	-
Total other long-term benefits	<u>-</u>	<u>-</u>
Termination benefits	-	-
Total	<u>-</u>	<u>-</u>

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Note 12C: Transactions with key management personnel and their close family members

There were no other transactions (other than as disclosed above) with key management personnel and their close family members during the year ended 31 December 2021 (2020: Nil)

Loans to/from key management personnel – None

Other transactions with key management personnel – None

	2021	2020
	\$	\$
Note 13		
Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	11,450	10,600
Other services	-	-
Total remuneration of auditors	<u>11,450</u>	<u>10,600</u>

Note 14 **Financial Instruments**

Exposure to interest rate risk, credit risk, and liquidity risk arise in the normal course of activities through its financial instruments for the NT Branch of the Australian Education Union:

Note 14A: Categories of Financial Instruments

Financial assets

Fair value through profit or loss		
Investment in shares fair value	10	10
Total	<u>10</u>	<u>10</u>
At amortised cost:		
Cash and cash equivalents	802,472	845,154
Trade and other receivables	10,118	8,837
Accrued interest	2,752	2,752
Total	<u>815,342</u>	<u>856,743</u>
Fair value through other comprehensive income	-	-
Total	<u>-</u>	<u>-</u>
 Carrying amount of financial assets	 <u>815,342</u>	 <u>856,743</u>

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Note 14A: Categories of Financial Instruments (continued)

	2021	2020
	\$	\$
Financial liabilities		
Fair value through profit or loss:	-	-
Total	-	-
Other financial liabilities:		
Trade payables and accruals	15,950	28,082
Other payables	7,237	16,515
Total	23,187	44,597
Carrying amount of financial liabilities	23,187	44,597

Note 14B: Net income and expense from financial assets

	2021	2020
	\$	\$
Financial assets at amortised cost		
Interest revenue	4,050	9,069
Net gain on financial assets from financial assets	4,050	9,069

Note 14C: Net income and expense from financial liabilities

	2021	2020
	\$	\$
At amortised cost		
Interest expense	-	-
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	-	-
Net gain/(loss) from financial liabilities	-	-

Note 14D: Credit risk

Credit risk is the risk that one party to a financial instrument will cause financial loss for the other party by failing to discharge an obligation.

NT Branch of the Australian Education Union manages its credit risk by undertaking transactions with a large number of counterparties and by performing adequate due diligence on major new customers to ensure only credit-worthy organisations are its counterparties. NT Branch of the Australian Education Union's exposure to credit risk is limited as its major source of revenue is the receipt of membership fees.

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Note 14D: Credit risk (continued)

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

	2021	2020
	\$	\$
Financial assets		
Trade and other receivables	10,117	8,837
Total	<u>10,117</u>	<u>8,837</u>
Financial liabilities	-	-
Total	<u>-</u>	<u>-</u>

In relation to the entity's gross credit risk the following collateral is held: Nil

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

30 June 2021	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-%	-%	-%	-%	100%	
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

30 June 2020	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	-%	-%	-%	-%	100%	
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

The Branch's maximum exposure to credit risk for the components of the statement of financial position at 30 June 2021 and 2020 is the carrying amounts as illustrated above.

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Note 14E: Liquidity risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- Maintain a reputable credit profile;
- Managing credit risk related to financial assets;
- Investing surplus cash with major financial institutions

Contractual maturities for financial liabilities 2021

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade and other payables	-	23,187	-	-	-	23,187
Total	-	23,187	-	-	-	23,187

Contractual maturities for financial liabilities 2020

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade and other payables	-	44,597	-	-	-	44,597
Total	-	44,597	-	-	-	44,597

Note 14F: Market risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. It comprises interest rate risk, price risk and currency risk. At the reporting date, NT Branch of the Australian Education Union does not have exposure to price and currency risks.

Interest rate risk

Interest rate risk is managed with the use of a mix of fixed and floating rates for cash and cash equivalents. NT Branch of the Australian Education Union's exposure to interest rate risk is in the table below.

Sensitivity analysis of the risk that the entity is exposed to for 2021

Risk variable	Change in risk variable %	Effect on	
		Profit or loss	Equity
		\$	\$
Interest rate risk	- [+ 0.5%]	4,012	4,012
Interest rate risk	- [- 0.5%]	(4,012)	(4,012)

Sensitivity analysis of the risk that the entity is exposed to for 2020

Risk variable	Change in risk variable %	Effect on	
		Profit or loss	Equity
		\$	\$
Interest rate risk	- [+ 0.5%]	4,226	4,226
Interest rate risk	- [- 0.5%]	(4,226)	(4,226)

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Note 14G: Price risk

NT Branch of the Australian Education Union is not exposed to price risk.

Note 15 Fair value measurement

Note 15A: Financial assets and liabilities

Management of the Branch assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

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

- Fair values of the Branch interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2021 was assessed to be insignificant.

Note 15A: Financial assets and liabilities (continued)

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Branch based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2021 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Branch financial assets and liabilities:

	Carrying amount 2021 \$	Fair value 2021 \$	Carrying amount 2020 \$	Fair value 2020 \$
Financial assets				
Cash at Bank	802,472	802,472	845,154	845,154
Trade and other receivables	10,117	10,117	8,837	8,837
Accrued interest	2,752	2,752	2,752	2,752
Total	815,341	815,341	856,743	856,743
Financial liabilities				
Trade and other payables	23,187	23,187	44,597	44,597
Total	23,187	23,187	44,597	44,597

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Note 15B: Financial and non-financial assets and liabilities fair value hierarchy

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

Fair value hierarchy – 30 June 2021

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and building	2020	-	453,400	-
Investment in shares	2014	-	10	-
Total		-	453,410	-
Liabilities measured at fair value				
Nil		-	-	-
Total		-	-	-

Fair value hierarchy – 30 June 2020

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and building	2020	-	460,000	-
Investment in shares	2014	-	10	-
Total		-	460,010	-
Liabilities measured at fair value				
Nil		-	-	-
Total		-	-	-

Note 16: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

- 1) A member of a 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).

Officer declaration statement

I, Adam Lampe, being the Branch Secretary of the Australian Education Union, declare that the following activities did not occur during the reporting period ended 31 December 2021.

The Reporting unit did not:

- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer: 

Dated: 