



28 September 2022

Kate Ruttiman
Branch Secretary
Australian Education Union – Queensland Branch
Sent via email: qtu@qtu.asn.au
CC: madhu.nair@au.ey.com

Dear Kate Ruttiman,

**Australian Education Union - Queensland Branch
Financial Report for the year ended 31 December 2021 – (FR2021/311)**

I acknowledge receipt of the financial report for the year ended 31 December 2021 for the Australian Education Union- Queensland Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 13 July 2022.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

Non-compliance with previous requests

During the initial review of the financial report, it was revealed that that a number of issues of non-compliance that had been raised in previous years were not remedied by the reporting unit.

On 5 August 2022, Joanne Fenwick, the ROC's Financial Reporting Specialist contacted you requesting a response regarding these issues.

On 16 August 2022, you confirmed that the reporting unit will update the 2022 financial reporting template in order to address the issues that were raised. A copy of the updated template was provided to the ROC on 23 September 2022.

I note that the template addresses many of the issues that were raised, namely:

- disclosure of nil activities including non-disclosure of revenue from recovery of wages activity;
- complying with disclosures required under Australian Accounting Standard, AASB15: *Revenue from contracts with customers*;
- lodgement of subsection 255(2A) report;
- inconsistency in disclosures made between reporting units relating to cash flows; and
- disclosure of breakdown of audit fee required under AASB 1054: *Australian Additional Disclosures*.

However, the following issue of meeting timescale requirements will need to be addressed once the reporting unit's financial year has concluded:

Reports must be provided to members within 5 months after end of financial year where report is presented to committee of management meeting

Under section 265(5)(b) of the RO Act, where the report is presented to a committee of management meeting, the report must be provided to members within 5 months of the end of the financial year. The designated officer's certificate states that the financial report was presented, for the purposes of section 266, to a committee of management meeting and that the financial statements were provided to the members on 31 May 2022, however the officer declaration statement was provided to members on 6 July 2022. As the **full report** includes the officer declaration statement, the **full report** is taken to be provided to members on 6 July 2022.

If the date of provision certified is correct, the reporting unit should have applied for an extension of time to provide the full report to members in accordance with section 265(5) of the RO Act.

Please note that in future financial years if an extension of time to provide the full report later than 5 months is required, a written request, signed by a relevant officer, including any reason for the delay, must be made prior to the expiry of the 5 months.

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 section 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 section 253 reporting guidelines and Australian Accounting Standards. Access to this information may be obtained 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



AUSTRALIAN EDUCATION UNION

Queensland Branch ABN 47 599 010 588

The Teachers' Building, 21 Graham Street, Milton, Queensland, Australia

Ph: 07 3512 9000 Fax: 07 3512 9050

Address all correspondence to: The Branch Secretary, PO Box 1591, Milton BC, Q 4064

Designated Officer's Certificate or other Authorised Officer

s268 Fair Work (Registered Organisations) Act 2009

I, Kate Ruttiman, being the Branch Secretary of the Australian Education Union (Queensland Branch) certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the financial statements, was provided to members on 31 May 2022: and
- that the Officer's Declaration statement was provided to members on 6 July 2022, and
- that the Independent Assurance Report was provided to members on 6 July 2022
- that the full report was presented to a meeting of the committee of management of the reporting unit on 30 May 2022; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009* and again presented to a meeting of the committee of management of the reporting unit on 11 July 2022.

Signature:

Date: 13 July 2022



QUEENSLAND BRANCH

Financial Statements

2021

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OPERATING REPORT

The Committee of Management of the Queensland Branch of the Australian Education Union present this operating report in relation to the financial year ended 31 December 2021.

Principal Activity

The principal activity during the financial year was to undertake the function of a trade union of employees.

Review of Activities

The Australian Education Union (Queensland Branch) is the federal counterpart of the Queensland Teachers' Union of Employees ("the QTU"), a union registered under the Industrial Relations Act 1999 (Queensland), with virtually identical membership. Because the members of the two organisations are all employed under Queensland industrial laws, the principal activities on behalf of members are conducted by the QTU.

Queensland state sector teachers and principals, as members of both organisations were fully represented in the national decision-making forums of the Australian Education Union including the Federal Conference, the National TAFE Council, the Federal Executive and the National TAFE Council Executive.

Members of both organisations were also represented on the Principals Committee, the Early Childhood Education Committee, and the Aboriginal and Torres Strait Islander Committee. A member of both organisations was also a member of the International Trust Fund Committee.

Officers and employees of the QTU also participated in a range of national meetings in specialist areas including the federal funding campaign, industrial matters, research, women's issues and new educators.

Result of Activities

The views of members of the Australian Education Union (Queensland Branch) and of its associated body, the Queensland Teachers' Union, have been effectively represented in national and international industrial relations and education forums, including the Australian Council of Trade Unions and Education International, and the debates within these associations.

Significant Changes in the Principal Activities and Financial Affairs of the Branch

There have been no significant changes to the nature of the principal activities of the Branch and there have been no significant changes in the financial affairs during the year of the branch.

Rights of Members to Resign

As specified in Rule 17(3) of the Federal Branch Rules of the Australian Education Union, 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.

No Members or Officers are Trustees of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme

The committee of management is not aware of any officers or members of the Branch who are:

- (i) a trustee of a superannuation entity or an exempt public sector superannuation scheme; or
- (ii) a director of a company that is a trustee of a superannuation entity or an 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.

Number of Members

As at 31 December 2021, the number of members was 44,051 (2020 – 44,482).

Number of Employees

There were 0 employees for the year (2020 - 0 employees).

Committee of Management

The names of each Executive member during the year ended 31 December 2021 were:

1 January 2021 – 29 February 2021

Kevin Bates (Branch President)	Graham Moloney (Branch Secretary)
Cresta Richardson (Branch Deputy President)	Kate Ruttiman (Branch Deputy Secretary)
Brendan Crotty	Peter Darben
Kerry O'Connor	Leah Olsson
Nikki Roos	Jenny Swadling
Penny Taylor	Andrew Thomson
Scott Tibaldi	

1 March 2021 – 31 December 2021

Cresta Richardson (Branch President)	Kate Ruttiman (Branch Secretary)
Brendan Crotty (Branch Deputy Secretary)	Leah Olsson (Branch Deputy President)
Peter Darben	Shane Hancock
Rebecca Humphreys	Natalie Montague-Clarke
Nikki Roos	Jenny Swadling
Andrew Thompson	Scott Tibaldi

This report is made in accordance with a resolution of the Committee of Management on 30 May, 2022.



Kate Ruttiman
Branch Secretary

Dated: 30 May, 2022
Brisbane, Queensland

COMMITTEE OF MANAGEMENT REPORT

On 30 May, 2022 the Executive of the Queensland Branch of the Australian Education Union (The Committee of Management) passed the following resolution, in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 December 2021:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the Commissioner.
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (e) during the financial year to which the 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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to 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 Registered Organisations Act has been provided to the member or Commissioner; and
 - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the Registered Organisations Act, there has been compliance.
- (f) The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year end 31 December 2021.

Categories of Expenditure	2021	2020
Remuneration and other employment related costs and expenses	\$0	\$0
Advertising	\$0	\$0
Operating costs	\$2,228,201	\$2,132,621
Donations to political parties	\$0	\$0
Legal costs	\$0	\$0

This report is made in accordance with a resolution of the Committee of Management dated 30 May, 2022.



Kate Ruttiman
Branch Secretary

Dated: 30 May, 2022
Brisbane, Queensland



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Brisbane QLD 4000 Australia
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Independent auditor's report to the members of the Australian Education Union (Queensland Branch)

Opinion

We have audited the accompanying financial report of Australian Education Union (Queensland Branch) (the Branch), which comprises the statement of financial position as at 31 December 2021, the statement of changes in accumulated funds, the statement of comprehensive income, the cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, subsection 255(2A), officer declaration statement and the Committee of Management's statement.

In our opinion the financial report presents fairly, in all material respects, the financial position of Australian Education Union (Queensland Branch) as of 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Branch 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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The members of the Committee of Management are responsible for the other information. The other information is the operating report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The members of the Committee of Management of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with the Australian Accounting Standards and with Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal controls as the Committee of Management determine are 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 members of the Committee of Management are responsible for assessing the Branch'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 members of the Committee of Management either intend to liquidate the Branch or cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Branch'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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.



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- 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.

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Declaration by the auditor

I, Madhu Nair, declare that I am an approved auditor, as registered by the RO Commissioner under the Act: AA 2020/16.

A handwritten signature of 'Ernst & Young' in black ink, with a horizontal line underneath the 'Young' part.

Ernst & Young

A handwritten signature in black ink, appearing to read 'm. nair' with a flourish at the end.

Madhu Nair
Partner
Brisbane
30 May 2022

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

ACCUMULATED FUNDS	2021	2020
	\$	\$
General Fund	66	66
Represented by		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,400	3,566
Trade and Other Receivables	6,651	
Receivables from other reporting units	15	0
Less Provision for estimated credit losses	0	0
Total Receivables	10,066	0
Total current assets	10,066	3,566
LIABILITIES		
CURRENT LIABILITIES		
Trade Payables & Accruals	10,000	3,500
Payables in respect of all legal costs	0	0
Payables to employers as consideration for employer making payroll deductions of membership subscriptions	0	0
Payables to other reporting units	0	0
Total current liabilities	10,000	3,500
PROVISIONS		
Employee Provisions	0	0
Total Provisions	0	0
TOTAL LIABILITIES	10,000	3,500
NET ASSETS	66	66

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

FOR THE PERIOD ENDED 31 DECEMBER 2021

ACCUMULATED FUNDS	2021	2020
	\$	\$
BALANCE AS AT 1 JANUARY 2021	66	66
Profit / (Loss) for the year	0	0
TOTAL ACCUMULATED FUNDS	<u>\$66</u>	<u>\$66</u>

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	\$	\$
Revenue		
Membership Subscriptions	2,055,157	1,969,217
Election Campaign Advertising	0	0
Capitation Fees	0	0
Compulsory Levies	0	0
Public Education Levy	162,893	159,782
ACTU - Levy	0	0
Bank Interest	0	0
Donations from Queensland Teachers' Union	10,151	3,622
Total revenue	\$2,228,201	\$2,132,621
Other Income		
Grants and/or donations	0	0
Total other income	0	0
Total income	2,228,201	2,132,621
Expenses		
Audit Fees for the audit of Financial Statements	10,000	3,500
Election Campaign Advertising		0
Postage	0	122
Legal Costs	0	0
Employee Expenses	0	0
Fees incurred as consideration for employers making payroll deductions of members subscriptions	0	0
Fees/Allowances paid to persons to attend conferences/meetings as a representative of the reporting unit	0	0
Grants/Donations	0	0
Penalties imposed under RO Act	0	0
Affiliation Fees	0	0
Capitation Fees - Australian Education Union Federal	1,488,308	1,416,620
Public Levies - Australian Education Union Federal	162,893	159,782
ACTU Subscriptions - Australian Education Union Federal	280,368	269,446
Educational International - Australian Education Union Federal	111,798	111,804
ACTU - Other Fees	151	0
Public Education Levy - Australian Education Union Federal	174,684	171,348
Total expenses	\$2,228,201	\$2,132,620
Profit/(loss)for year	0	0
Other comprehensive income	0	0
Total comprehensive income for the year	0	0

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	INFLOWS (OUTFLOWS)	INFLOWS (OUTFLOWS)
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
	Notes	
CASH RECEIVED		
Donations Received	0	3,622
Election Campaign Advertising	0	0
Interest Received	0	0
Membership Subscriptions	2,055,157	1,969,217
Public Education Levy	162,893	159,782
ACTU Levy	0	0
GST Received	210,625	201,720
CASH USED		
Supplies and Other	0	-3,622
Capitation Fees - Australian Education Union Federal	-1,488,308	-1,416,620
Public Levies - Australian Education Union Federal	-162,893	-159,782
ACTU Subscriptions - Australian Education Union Federal	-280,368	-269,446
Educational International - Australian Education Union Federal	-111,798	-111,804
Public Education Levy- Australian Education Union Federal	-174,684	-171,348
ACTU - Levy - Australian Education Union Federal	-151	0
Election Campaign Advertising	0	0
GST Paid to Suppliers and Others	-210,640	-201,720
Net cash flows from operating activities	4 -166	1
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flows from investing activities	0	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities	0	0
Net (decrease)/ increase in cash held	-166	0
Cash at beginning or reporting period	3,566	3,566
Cash and cash equivalents at the end of the reporting period	\$3,400	\$3,566

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021

NOTE 1A – CORPORATE INFORMATION

The financial report is for Australian Education Union (Queensland Branch) (“the Branch”).

The principal place of business and the registered address for the Branch is 21 Graham Street, Milton Q 4064.

The GPFR is presented in Australian Dollars (AUD).

NOTE 1B – ACCOUNTING POLICIES

(a) Basis of Preparation of Accounts

The financial report is a General Purpose Financial Report (GPFR) which has been prepared in accordance with Australian Accounting Standards, the Fair Work (Registered Organisations) Act 2009 and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The GPFR has also been prepared in accordance with the historical cost basis.

The GPFR has also been prepared on the basis that the Union is a not-for-profit entity.

The financial report provides comparative information in respect of the previous period.

(b) Significant Accounting Judgements and Estimates

There are no significant accounting judgements and estimates.

(c) Income Tax

No provision for income tax is made in the accounts as the Union is exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(d) Employees

All officers and staff are employed by the Queensland Teachers’ Union of Employees. There were no expenses incurred as consideration for the Queensland Teachers’ Union of Employees as the employer making payroll deductions of membership subscriptions.

(e) Statement of Compliance

The GPFR complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard (‘AIFRS’). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards (‘IFRS’).

(f) Going Concern

The reporting unit is reliant upon the agreed written financial support of the Queensland Teachers’ Union of Employees. This support is to ensure the reporting unit can meet its liabilities as and when they fall due but only to the extent that money is not otherwise available to meet such liabilities.

The reporting unit has not provided financial support to any reporting units.

The reporting unit is not reliant on the agreed financial support of another reporting unit.

(g) Asset or Liability Acquisitions

The reporting entity has not acquired an asset nor a liability due to an amalgamation under Part 2 of Chapter 3 of the Registered Organisations Act, a restructure of the branches of an organisation, a determination or revocation by the Commissioner.

(h) Revenue

As noted below, the adoption of AASB 15 Revenue from Contracts with Customers paragraph 114 has resulted in the following revenue categories for the Union:

Revenue from Membership Subscriptions and Public Education Levies received from members of AEU is recognised over time on the basis of the term of the membership.

Donations and Interest Received Income is recognised when they are received.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

A disaggregation of AEU'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:

Income funding sources	2021	2022
	\$	\$
Membership subscriptions	2,055,157	1,969,217
Public education levy	162,893	158,782
Donations from QTU	10,151	3,622
Total income for furthering activities	2,228,201	2,131,621

(i) Expenses

There have been no expenses incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible.

There have also been no expenses incurred for legal costs and other expenses related to litigation and other legal matters.

(j) Cash and Cash Equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash at bank, in hand and short term deposits with a maturity date of less than three months.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) New Australian Accounting Standards & Interpretations

Adoption of New Australian Accounting Standard Requirements

In the current year, the Union has adopted all of the applicable new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Branch.

AASB 16 Leases

AASB16 Leases, which superseded the previous AASB117 Leases, sets out the principles for recognition, measurement, presentation and disclosure. It requires the recognition of a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Union has elected to adopt AASB 16 Leases from 1 January 2019 using the modified retrospective approach and as such comparatives have not been restated. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for previously recognised prepaid and accrued lease payments. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Upon adoption of AASB 16, the Union applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The Union recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

AASB 15 Revenue from Contract with Customers

AASB 15 supersedes AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

fulfilling a contract. In addition, the standard requires extensive disclosures.

The Union adopted AASB 15 using the modified retrospective application, with the cumulative effect of initially applying the standard adjusted to the opening balance of the retained earnings. Consequently, the 2018 comparative figures are reported according to AASB 118 and has not been restated to reflect the numbers accordingly to AASB 15. The most relevant changes compared to current accounting policy are: the previous "risk and rewards" framework is replaced by a control framework. This means that revenue from a sales transaction is recognised when (at a point in time) or as (over time) control of a good or service is transferred to a customer introducing a 'performance obligation' as a key term, including more detailed guidance in how to define a performance obligation and how to measure and recognise from a performance obligation, introducing a more detailed guidance in general on measurement and recognition of revenue related items.

NOTE 2 – INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER

In accordance with the requirements of Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads as follows:

- (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 3 – SEGMENT INFORMATION

The Queensland Branch of the Australian Education Union operates solely as the Queensland branch of a trade union in Australia and is domiciled in Australia.

NOTE 4 - STATEMENT OF CASH AND CASH EQUIVALENTS

- (a) Reconciliation of the operating surplus/(deficiency) with the net cash flows from operating activities

	2021	2020
	\$	\$
Operating surplus/(deficiency)	0	0
Movement in assets and liabilities:		
Decrease/(increase) in sundry debtors	-6,666	0
Decrease/(increase) in sundry creditors	6,500	0
Net cash flows from operating activities	<u>-166</u>	<u>0</u>

- (b) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December 2021.

	2021	2020
Cash on hand and at bank	<u>\$3,400</u>	<u>\$3,566</u>

Cash at Bank earns interest at floating rates based on daily bank deposit rates.

Fair value of cash and cash equivalents is \$ 3,400 (2020 - \$3,566).

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

NOTE 5 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Terms, conditions and accounting policies

The reporting unit's principal financial instruments comprise receivables, payables, cash and cash equivalents.

The objective of risk management is to support the delivery of the reporting unit's financial and non-financial targets whilst protecting future financial security. The main risks arising from the reporting unit's financial instruments are interest rate risk, credit risk and liquidity risk.

(b) Risk exposures and responses

(i) Interest rate risk

The reporting unit has minimal exposure to interest rate risks. At balance date, the reporting unit had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	2021	2020
Financial Assets	\$	\$
Cash and cash equivalents:		
Cash at bank and on hand	3,400	3,566
Short term deposits	0	0
Net Exposure	<u>\$3,400</u>	<u>\$3,566</u>

The reporting unit constantly analyses its interest rate exposure. Within this analysis, consideration is given to the renewal periods of short-term deposits and the amount of cash at bank and on hand held in the reporting unit's trading account to cover cash flow requirements of the reporting unit.

The following sensitivity analysis is based on the interest rate exposures in existence at the balance date.

At 31 December 2021, if interest rates had moved, as illustrated in the table below, with all other variables held constant, the surplus would have been affected as follows:

Judgements of reasonably possible movements:	2021	2020
	\$	\$
+1% (100 basis points)	34	36
-0.5% (50 basis points)	(17)	(18)

(ii) Credit risk exposures

The reporting unit's credit risk arises from financial assets comprising cash and cash equivalents and trade and other receivables. The reporting unit's exposure to credit risk arises from potential default of the counter party (namely, union members), with a maximum exposure to credit risk at balance date in relation to each class of recognised financial asset being the carrying amount of those assets as indicated in the Statement of Financial Position.

In addition, receivable balances are monitored on an on-going basis with the result that the reporting unit's exposure to credit losses is not significant.

Concentration of credit risk arises as all subscription income is from members employed in the Queensland Public Education Sector.

Trade and other receivables are recognised as follows:

Dues in Arrears - Carried at GST inclusive nominal amounts less provision for estimated credit losses.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

(iii) Liquidity risk

The reporting unit has little exposure to liquidity risk as there are no fixed term loans.

The contractual maturities of the reporting unit's financial liabilities are:

	2021	2020
	\$	\$
No later than one year	10,000	3,500
Later than one year and not later than five years	0	0
Later than five years	0	0
Total	10,000	3,500

Maturity analysis of financial assets and liabilities based on management's expectation.

The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows.

Year ended 31 December 2021					
	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial Liabilities:					
Sundry Creditors & Accruals	10,000	0	0	0	10,000
Sundry Dues in Advance	0	0	0	0	0
	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>
Year ended 31 December 2020					
	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial Liabilities:					
Sundry Creditors & Accruals	3,500	0	0	0	3,500
Sundry Dues in Advance	0	0	0	0	0
	<u>3,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,500</u>

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date approximates the carrying values.

(d) Fair value estimation

The carrying amounts of the reporting unit's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or losses are measured at fair value with changes in their value recognised in profit or loss.

(e) Fair value hierarchy

Classification of financial assets and financial liabilities

The reporting unit classifies fair value measurements using a fair value hierarchy that reflects the subjectivity

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2021 (CONTINUED)

of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the assets or liability that are not based on observable market data (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. The Union's managed funds are classified as level 1 in the fair value hierarchy.

NOTE 6 – SUBSEQUENT EVENT NOTE – IMPACT OF THE CORONAVIRUS (COVID-19) OUTBREAK

During the financial year 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

The Union have not seen a significant impact on the business during 2020, 2021 nor to date in 2022. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however this may have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, the Union does not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Union at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2021 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. Although the outbreak of COVID-19 occurred during 2020, its impact is considered an event that is indicative of conditions that will continue to arise after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2021 for the impacts of COVID-19.



Kate Ruttiman
Branch Secretary

Dated: 30 May, 2022
Brisbane, Queensland

Officer declaration statement

I, Kate Ruttiman, being the Branch Secretary of the Australian Education Union (Queensland Branch) declare that the following activities did not occur during the reporting period ending 31 December 2021.

The Australian Education Union (Queensland Branch) did not:

- incur expenses due to holding a meeting as required under the rules of the organisation
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cash flows to another reporting unit and/or controlled entity
- 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:



KATE RUTTIMAN
Branch Secretary

Dated: 30/5/2022