



21 June 2023

Ms Carol Matthews
Acting Secretary
Independent Education Union of Australia - NSW/ACT Branch

Sent via email: industrial@ieu.asn.au

CC: smilgate@daley.com.au

Dear Ms Matthews

**Independent Education Union of Australia - NSW/ACT Branch
Financial Report for the year ended 31 December 2022 – FR2022/255**

I acknowledge receipt of the financial report for the year ended 31 December 2022 for the Independent Education Union of Australia - NSW/ACT Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 19 June 2023.

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 sections 253, 265, 266 and 268 of the *Fair Work (Registered Organisations) Act 2009 (RO Act)* have been satisfied, all documents required under section 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 next year's financial report 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 comments to assist you when you next prepare a financial report. The Commission will confirm these matters have been addressed prior to filing next year's report.

Rotation of registered auditor

Correspondence was provided to the reporting unit on 13 December 2022, which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Stephen Milgate was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A.

Please ensure that Stephen Milgate is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 8650 0183 or via email at ken.morgan@fwc.gov.au.

Yours sincerely



KEN MORGAN
Financial Reporting Specialist
Fair Work Commission

**Independent Education Union of Australia
New South Wales/Australian Capital Territory Branch**

ABN: 91 929 561 384

Financial Statements
For the Year Ended 31 December 2022

Independent Education Union of Australia New South Wales / Australian Capital Territory Branch

ABN: 91 925 561 384

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

Certificate by Prescribed Designated Officer

Certificate for the year ended 31 December 2022

I *Carol Matthews* being the *Acting Secretary* of the *Independent Education Union of Australia New South Wales / Australian Capital Territory Branch* certify:

- that the documents lodged herewith are copies of the full report for the *Independent Education Union of Australia New South Wales / Australian Capital Territory Branch* 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 *27 April 2023*; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on *16 June 2023* in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.



Carol Matthews

Acting Secretary

Dated: 19 June 2023

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Operating Report

31 December 2022

The Committee of Management, presents their report together with the financial statements of the reporting unit, the operating report of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch ("the Branch") for the financial year ended 31 December 2022.

Names of Committee of Management members and positions held during the financial year

Name	Position	Period of appointment
Mark Northam	Secretary	January 2022 - December 2022
Carol Matthews	Deputy Secretary	January 2022 - December 2022
Veronica Yewdall	Assistant Secretary	October 2022 - December 2022
David Towson	Assistant Secretary	October 2022 - December 2022
William Griffiths	Assistant Secretary	January 2022 - October 2022
Pamela Smith	Assistant Secretary	January 2022 - October 2022
Tina Ruella	President	October 2022 - December 2022
Christine Wilkinson	President	January 2022 - October 2022
Helen Templeton	Vice President (Non-Systemic)	October 2022 - December 2022
Bruce Paine	Vice President (Non-Systemic)	January 2022 - October 2022
Bernadette Baker	Vice President (Systemic)	January 2022 - December 2022
Michelle Thompson	Vice President (Early Childhood Services)	October 2022 - December 2022
Gabrielle Connell	Vice President (Early Childhood Services)	January 2022 - October 2022
Kylie Booth-Martinez	Vice President (Support Staff)	October 2022 - December 2022
Carolyn Collins	Vice President (Support Staff)	January 2022 - October 2022
Angela McDonald	Vice President (ACT)	January 2022 - December 2022
Denise McHugh	Financial Officer	January 2022 - December 2022
Suzanne Penson	Financial Officer	October 2022 - December 2022
Peter Moore	Financial Officer	January 2022 - October 2022
Simon Goss	General Executive Member	January 2022 - December 2022
Elizabeth Lockwood	General Executive Member	January 2022 - December 2022
Anna Luedi	General Executive Member	January 2022 - December 2022
Glenn Lowe	General Executive Member	January 2022 - December 2022
Peter Criticos	General Executive Member	June 2022 - December 2022
Christine Wilkinson	General Executive Member	October 2022 - December 2022
Sarah Gardiner	General Executive Member	October 2022 - December 2022
Elizabeth Heggart	General Executive Member	October 2022 - December 2022
Peter Moore	General Executive Member	October 2022 - December 2022
Nicole Downey	General Executive Member	October 2022 - December 2022

Operating Report

31 December 2022

Names of Committee of Management members and positions held during the financial year

Name	Position	Period of appointment
Phoebe Craddock-Lovett	General Executive Member	January 2022 - June 2022
John O'Neill	General Executive Member	January 2022 - October 2022
Suzanne Pearson	General Executive Member	January 2022 - October 2022
Tina Ruello	General Executive Member	January 2022 - October 2022
Helen Templeton	General Executive Member	January 2022 - October 2022
Kylie Booth-Martinez	General Executive Member	January 2022 - October 2022

Review of principal activities, the results of these activities and any significant changes in the nature of those activities during the year

The principal activities of the Branch during the year was those activities included, but were not limited to:

- the provision of services to members;
- the representation of members before Fair Work Australia on award matters; and
- the provision of support for the Federal Union agenda in education, equity and industrial issues.

The Branch's principal activities resulted in:

- the maintenance and improvement of wages and conditions of employment for our members, especially those covered by collective bargaining agreements negotiated by our Branch;
- growth of our solid membership base in New South Wales/Australian Capital Territory, demonstrating member satisfaction of the support and advice currently provided to them;
- review of the operations and the results of the Branch is performed on the regular meetings of the Committee of Management. The Committee of Management believe they have furthered the interests of their members throughout the year through the conducting of the Branch's principal activities;
- the operating surplus of the Branch for the year ended 31 December 2022 was \$1,881,122 (2021: \$2,551,755) and the Committee Management believe that the activities of the Branch have achieved their objectives for the year.

There were no other significant changes to the nature of the Branch's activities during the year.

Number of members

The number of members of the Branch at the end of the financial year was 30,941 (2021: 29,915).

Operating Report

31 December 2022

Right of members to resign

Members retain the right to resign from the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch in accordance with section 10 of the Federal Rules and Section 174 of the *Fair Work (Registered Organisations) Act 2009* ("the RO Act"). In accordance with Section 174(1) of the RO Act a member of an organisation may resign from membership by written notice addressed and delivered to a person designated for the purpose in the rules of the organisation or a branch of the organisation.

Number of employees

The total number of full time equivalent employees as at 31 December 2022 was 68 (2021: 69).

Officers or members who are superannuation fund trustees or director of a company that is a superannuation fund trustee being a member or officer of a registered organisation is a criterion for them holding such position

Name	Position	Period
Christine Wilkinson	Director of NGS Super Pty Ltd	January 2022 - October 2022

The criterion for being a trustee or director is that officer or employee is an officer or employee of the Branch.

Significant changes in financial affairs

There have been no significant changes in the state of affairs of the Branch during the year.

Events after the reporting date

No matters or circumstances have arisen since the end of the financial year which significantly affected or could 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 Executives:



Carol Matthews
Acting Secretary

Dated: 14 April 2023

Committee of Management Statement

On 14 April 2023 the Committee of Management of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch ("the Branch"), passed the following resolution in relation to the general purpose financial report of the Branch for the year ended 31 December 2022:

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 Branch for the financial year ended 31 December 2022;
- (d) there are reasonable grounds to believe that the Branch will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - i) meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of the Branch concerned; and
 - ii) the financial affairs of the Branch have been managed in accordance with the rules of the organisation including the rules of the Branch concerned; and
 - iii) the financial records of the Branch 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 Branch or General Manager duly made under section 272 of the RO Act that information has been provided to the member or General Manager; 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.



Carol Matthews
Acting Secretary

Dated: 14 April 2023

Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

ABN (91 925 561 38)

Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Membership fees received	4	16,490,353	16,034,240
Other income	4	609,671	1,201,579
		<u>17,100,029</u>	<u>17,235,819</u>
Employee costs	5	(10,208,565)	(10,431,401)
Affiliation and capitation fees		(896,535)	(845,388)
Printing and publication expense		(507,610)	(502,228)
Information technology expenses		(302,085)	(243,009)
Depreciation expense		(841,938)	(754,330)
Property expenses		(352,166)	(338,477)
Meetings, conferences and events		(654,343)	(335,490)
Insurance expense		(198,536)	(181,830)
Motor vehicle expense		(168,063)	(125,658)
Legal costs	5	(77,577)	(126,629)
Commission expense		(99,837)	(99,737)
Finance costs		(69,410)	(71,497)
Lease expenses	6	(57,508)	(60,285)
Training expense		(21,780)	(37,331)
Donation expense	5	(550)	(4,958)
Loss on disposal of plant and equipment		(187,487)	-
Other expenses		(574,917)	(425,820)
		<u>(15,218,907)</u>	<u>(14,584,064)</u>
Result for the year		<u>1,881,122</u>	<u>2,651,755</u>
Other comprehensive income			
Other comprehensive income for the year			
Total comprehensive income for the year		<u>1,881,122</u>	<u>2,651,755</u>

The accompanying notes form part of these financial statements.

Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

ABN: 91 929 561 384

Balance Sheet

As at 31 December 2022

	Note	2022 \$	2021 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	9,062,203	12,209,805
Trade and other receivables	7	381,136	916,189
Financial assets	8	4,077,696	4,571,039
Prepayments		48,576	99,785
TOTAL CURRENT ASSETS		13,569,611	17,196,818
NON-CURRENT ASSETS			
Financial assets	8	3,534,322	50
Right-of-use assets	9	25,423	72,273
Property, plant and equipment	10	22,013,253	20,662,929
TOTAL NON-CURRENT ASSETS		25,572,998	20,735,252
TOTAL ASSETS		39,142,609	37,932,070
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	11	654,696	886,846
Lease liabilities		17,863	48,772
Other financial liabilities	12	439,823	368,580
Employee benefits	13	3,980,486	4,422,617
TOTAL CURRENT LIABILITIES		5,092,868	5,726,815
NON-CURRENT LIABILITIES			
Lease liabilities		10,162	28,025
Employee benefits	13	-	18,773
TOTAL NON-CURRENT LIABILITIES		10,162	46,798
TOTAL LIABILITIES		5,103,030	5,773,613
NET ASSETS		34,039,579	32,158,457
EQUITY			
Amalgamation reserve	14	23,284,191	23,284,191
Retained earnings		10,755,388	8,874,266
TOTAL EQUITY		34,039,579	32,158,457

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

For the Year Ended 31 December 2022

	Retained Earnings	Amalgamation Reserve	Total
	\$	\$	\$
Balance at 1 January 2022	8,874,266	23,284,191	32,158,457
Result for the year	1,881,122	-	1,881,122
Balance at 31 December 2022	<u>10,755,388</u>	<u>23,284,191</u>	<u>34,039,579</u>
Balance at 1 January 2021	6,222,511	23,284,191	29,506,702
Result for the year	2,651,755	-	2,651,755
Balance at 31 December 2021	<u>8,874,266</u>	<u>23,284,191</u>	<u>32,158,457</u>

The accompanying notes form part of these financial statements.

Statement of Cash Flows

For the Year Ended 31 December 2022

	2022	2021
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and other revenue received	18,700,847	18,523,407
Payments to suppliers and employers	(16,408,858)	(15,382,884)
Interest received	107,940	42,576
Interest paid	(3,278)	(6,068)
Other receipts	(80,005)	80,005
Net cash provided by/(used in) operating activities	21 2,316,646	3,257,036
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale of available for sale asset	-	1,733,167
Purchase of property, plant and equipment	(2,374,545)	(226,971)
Purchase of held to maturity assets	(3,040,929)	(554,987)
Net cash provided by/(used in) investing activities	(5,415,474)	951,209
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities	(48,774)	(50,152)
Net cash provided by/(used in) financing activities	(48,774)	(50,152)
Net increase/(decrease) in cash and cash equivalents held	(3,147,602)	4,158,093
Cash and cash equivalents at beginning of year	12,209,805	8,051,712
Cash and cash equivalents at end of financial year	6 9,062,203	12,209,805

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

For the Year Ended 31 December 2022

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 Organisations) Act 2009*. For the purpose of preparing the general purpose financial statements, the Branch is a not-for-profit entity.

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

Comparatives are consistent with prior years, unless otherwise stated.

2. Summary of Significant Accounting Policies

(a) Revenue and other income

Revenue from contracts with customers

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Branch expects to receive in exchange for those goods or services.

Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer;
2. Identify the performance obligations;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations; and
5. Recognise revenue as and when control of the performance obligations is transferred.

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Branch have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(a) Revenue and other income

Specific revenue streams

The revenue recognition policies for the principal revenue streams of the Branch are:

Membership income

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.

There is only one distinct membership service promised in the arrangement. Accordingly, 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.

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.

Other professional services

The Branch provides other professional services to members in the form of events and advertising. These are fixed price contracts. Revenue is recognised over the period of when the service is performed.

Rental income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the Branch and specific criteria relating to the type of revenue has been satisfied.

Interest revenue

Interest is recognised using the effective interest rate method.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(b) Income Tax

The Branch is exempt from income tax under section 50.1 of the *Income Tax Assessment Act 1997*, however still has obligations for Payroll Tax, Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

(c) Goods and services tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the balance sheet.

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

(d) Property, plant and equipment

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

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Branch, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

Fixed asset class	Depreciation rate
Buildings	2.5% - 5%
Plant and Equipment	15% - 30%
Furniture, Fixtures and Fittings	15 - 30%
Motor Vehicles	25%
Computer Software	25%

Notes to the Financial Statements

For the Year Ended 31 December 2022

2. Summary of Significant Accounting Policies

(d) Property, plant and equipment

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

(e) Leases

At inception of a contract, the Branch assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.
- The Branch has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.
- The Branch has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

Separate lease and non-lease components

Lessee accounting

The non-lease components included in the lease agreement have been separated and are recognised as an expense as incurred.

(i) Right-of-use asset

At the lease commencement, the Branch recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the Branch believes it is reasonably certain that the option will be exercised.

The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives received.

The right-of-use asset is depreciated over the lease term on a straight line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(e) Leases

(ii) Lease liability

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Branch's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Branch's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Branch has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets. The Branch recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

(f) Capitation fees and levies

Capitation fees and levies are recognised on an accruals basis and recorded as an expense in the year to which it relates.

(g) Cash and cash equivalents

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.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2. Summary of Significant Accounting Policies

(h) Financial Instruments

Financial instruments are recognised initially on the date that the Branch becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through-profit or loss where transaction costs are expensed as incurred).

Financial assets

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification

On initial recognition, the Branch classifies its financial assets into the following categories, those measured at:

- amortised cost; and
- fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Branch changes its business model for managing financial assets.

Amortised cost

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Branch's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and financial assets in the balance sheet.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(h) Financial Instruments

Financial assets

Financial assets through profit or loss

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at FVTPL.

Net gains or losses, including any interest or dividend income are recognised in profit or loss.

Impairment of financial assets

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for financial assets measured at amortised cost.

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Branch considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Branch's historical experience and informed credit assessment and including forward looking information.

The Branch uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Branch uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Branch in full, without recourse to the Branch to actions such as realising security (if any is held); or
- the financial assets is more than 90 days past due.

Credit losses are measured as the present value of the difference between the cash flows due to the Branch in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

Trade receivables

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Branch has determined the probability of non-payment of the receivable and contract asset and multiplied this by the amount of the expected loss arising from default.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(h) Financial Instruments

Financial assets

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Branch renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

Other financial assets measured at amortised cost

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

Financial liabilities

The Branch measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Branch comprise trade and other payables and lease liabilities.

(i) Impairment of non-financial assets

At the end of each reporting period the Branch determines whether there is any evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(i) Impairment of non-financial assets

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

(ii) Employee benefits

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

Other long-term employee benefit obligations

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of high-quality corporate bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

Notes to the Financial Statements

For the Year Ended 31 December 2022

2 Summary of Significant Accounting Policies

(k) Adoption of new and revised accounting standards

The Branch has adopted all standards which became effective for the first time at 31 December 2022, and the adoption of these standards has not caused any material adjustments to the reported financial position or performance.

(l) New Accounting Standards and Interpretations

Certain new accounting standards have been published that are not mandatory for 31 December 2022 reporting periods and have not been early adopted by the Branch. These standards are not expected to have a material impact on the Branch in the current or future reporting periods and on foreseeable future transactions.

Notes to the Financial Statements

For the Year Ended 31 December 2022

3 Critical Accounting Estimates and Judgments

The Committee of Management make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

These estimates and judgements are based on the best information available at the time of preparing the financial statements, however as additional information is known then the actual results may differ from the estimates.

The significant estimates and judgements made have been described below:

Key estimates - impairment of property, plant and equipment

The Branch assesses impairment at the end of each reporting period by evaluating conditions specific to the Branch that may be indicative of impairment triggers.

Key estimates - useful lives of depreciable assets

Management reviews its estimate of the useful lives of depreciable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical obsolescence that may change the utility of certain property, plant and equipment.

Key estimates - employee entitlements

As described in the accounting policies, provisions are measured at management's best estimate of the expenditure required to settle the obligation at the end of the reporting period. These estimates are made taking into account a range of possible outcomes and will vary as further information is obtained.

Key estimates - receivables

The receivables at reporting date have been reviewed to determine whether there is any objective evidence that any of the receivables are impaired. An impairment provision is included for any receivable where the entire balance is not considered collectible. The impairment provision is based on the best information at the reporting date.

Notes to the Financial Statements

For the Year Ended 31 December 2022

4 Revenue and Other Income

	2022	2021
	\$	\$
Revenue from contracts with customers		
- Membership income	16,490,358	16,034,240
Other income		
- Gain on sale of available for sale assets	-	560,000
- Publication income	193,319	197,865
- Rental income	62,053	132,030
- Directors fees	54,500	81,237
- Interest income	107,940	42,577
- Gain on disposal of plant and equipment	-	40,161
- Other income	191,859	147,709
	<u>609,671</u>	<u>1,201,579</u>

(a) Disaggregation of revenue from contracts with customers

Revenue from contracts with customers has been disaggregated and the following table shows this breakdown:

Timing of revenue recognition		
- Over time	16,490,358	16,034,240
- At a point in time	-	-
Revenue from contracts with customers	<u>16,490,358</u>	<u>16,034,240</u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Result for the Year

	2022	2021
	\$	\$
Employee Expenses		
<i>Office holders*</i>		
Wages and salaries	1,636,596	1,616,270
Superannuation	220,888	222,081
Leave and other entitlements	(38,273)	52,208
Other employee expenses (Fringe benefits and payroll tax)	97,135	130,564
	<u>1,916,346</u>	<u>2,023,123</u>
<i>Employees other than office holders</i>		
- Wages and salaries	7,291,007	7,083,956
- Superannuation	967,805	891,543
- Leave and other entitlements	(422,631)	65,536
- Other employee expenses (Fringe benefits and payroll tax)	456,038	367,243
	<u>8,292,219</u>	<u>8,408,278</u>
	<u>10,208,565</u>	<u>10,431,401</u>
* Office holders are defined by the RO Act.		
Legal Costs		
Litigation	71,338	104,727
Other Legal Matters	6,239	21,898
	<u>77,577</u>	<u>126,625</u>
Grants & donations		
Grants - total paid that exceeded \$1,000	18,000	9,000
Donations - total paid that were \$1,000 or less	550	1,958
Donations - total paid that exceeded \$1,000	-	3,000
	<u>550</u>	<u>4,958</u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

5 Result for the Year

	2022	2021
	\$	\$
Affiliation fees		
Independent Education Union of Australia	196,079	190,117
Unions NSW	87,620	82,388
Unions ACT	16,103	13,904
Welfare Right Centre	13,838	13,838
South Coast Labour Council	3,457	3,374
Newcastle Trade Hall Council	3,376	3,281
Workers Health Centre	1,694	1,653
Union Shopper	14,000	-
	<u>336,167</u>	<u>308,555</u>
Capitation fees - Independent Education Union of Australia	574,368	536,834
Consideration to employers for payroll deductions of membership subscriptions	99,837	99,787
Conference and meeting expenses	487,992	240,085
Fees/allowances - meeting and conferences	35,430	95,394
6 Cash and Cash Equivalents		
Cash at bank and on hand	<u>9,062,203</u>	<u>12,209,805</u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

7 Trade and Other Receivables

	2022	2021
	\$	\$
Trade receivables from contracts with customers	479,474	387,336
Provision for impairment	(a) (166,488)	(97,296)
	<u>312,986</u>	<u>290,040</u>
Other receivables	68,150	26,149
	<u><u>381,136</u></u>	<u><u>316,189</u></u>

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

(a) Impairment of receivables

The Branch applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2022 is determined as follows, the expected credit losses incorporate forward looking information.

	Current	< 90 days overdue	> 90 days overdue	Total
31 December 2022				
Expected loss rate (%)	1.00	40.00	95.00	
Gross carrying amount (\$)	189,394	129,826	90,454	479,474
ECL provision	1,894	70,663	65,931	166,488
31 December 2021				
Expected loss rate (%)	1.00	40.00	95.00	
Gross carrying amount (\$)	204,538	40,013	82,787	387,338
ECL provision	2,643	10,004	78,649	97,296

Notes to the Financial Statements

For the Year Ended 31 December 2022

/ Trade and Other Receivables

(b) Receivables from other reporting units and related parties

	2022	2021
	\$	\$
Independent Education Union of Australia	8,040	-

None of the receivables from other reporting units and related parties are deemed impaired (2021: \$Nil).

8 Financial Assets

Current

Financial assets held at amortised cost

Term Deposits	4,077,696	4,571,039
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Non-current

Financial assets at fair value through profit or loss

Shares - unlisted entity	50	50
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Financial assets held at amortised cost

Term Deposits	3,534,272	
	<u>3,534,322</u>	<u>50</u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

8 Leases

Branch as a lessee

The Branch has leases over a range of assets including IT equipment.

Information relating to the leases in place and associated balances and transactions are provided below.

Terms and conditions of leases

Office equipment is leased over 2 to 5 year period with no option to extend. The lease payments are fixed during the lease term.

(a) Right-of-use assets

	Plant and Equipment \$
Year ended 31 December 2022	
Balance at beginning of year	72,273
Depreciation charge	<u>(46,850)</u>
Balance at end of year	<u><u>25,423</u></u>
Year ended 31 December 2021	
Balance at beginning of year	122,954
Depreciation charge	<u>(50,681)</u>
Balance at end of year	<u><u>72,273</u></u>

(b) Lease liabilities

	2022 \$	2021 \$
Current	17,883	46,772
Non-current	<u>10,162</u>	<u>28,025</u>
	<u><u>28,025</u></u>	<u><u>76,797</u></u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

9. Leases

(c) Lease liabilities

The maturity analysis of lease liabilities based on contractual undiscounted cash flows is shown in the table below:

	< 1 Year	1 - 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Balance Sheet
	\$	\$	\$	\$
2022				
Lease liabilities	19,016	10,480	29,496	28,025
2021				
Lease liabilities	52,050	29,496	81,546	76,797

Statement of Profit or Loss and Other Comprehensive Income

The amounts recognised in the statement of profit or loss and other comprehensive income relating to leases where the Branch is a lessee are shown below:

	2022	2021
	\$	\$
Lease interest expense	3,278	6,068
Depreciation of right-of-use asset	46,850	54,217
	<u>50,128</u>	<u>60,285</u>

Statement of Cash Flow

Total cash outflow for leases	<u>48,774</u>	<u>56,224</u>
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Notes to the Financial Statements

For the Year Ended 31 December 2022

10 Property, plant and equipment

	2022	2021
	\$	\$
Land and buildings		
At cost	12,740,845	10,941,333
Accumulated depreciation	<u>(1,284,883)</u>	<u>(820,573)</u>
	<u>21,455,962</u>	<u>20,120,760</u>
Plant and equipment		
At cost	441,044	311,959
Accumulated depreciation	<u>(193,283)</u>	<u>(99,899)</u>
	<u>247,761</u>	<u>212,060</u>
Furniture, fixtures and fittings		
At cost	89,867	113,614
Accumulated depreciation	<u>(42,963)</u>	<u>(45,860)</u>
	<u>46,904</u>	<u>67,754</u>
Motor vehicles		
At cost	477,964	362,487
Accumulated depreciation	<u>(242,838)</u>	<u>(140,062)</u>
	<u>235,126</u>	<u>222,425</u>
Computer software		
At cost	49,720	49,720
Accumulated depreciation	<u>(22,220)</u>	<u>(9,790)</u>
	<u>27,500</u>	<u>39,930</u>
Total property, plant and equipment	<u><u>22,013,253</u></u>	<u><u>20,662,929</u></u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

10 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year:

	Land and buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Software	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2022						
Balance at the beginning of year	20,120,760	212,060	67,754	222,425	39,930	20,662,929
Additions	2,114,676	137,459	7,572	116,315	-	2,376,022
Disposals - written down value	(170,305)	(3,481)	(9,974)	-	-	(183,760)
Depreciation expense	(609,169)	(98,277)	(18,448)	(103,614)	(12,430)	(841,938)
Balance at the end of the year	<u>21,455,962</u>	<u>247,761</u>	<u>46,904</u>	<u>235,126</u>	<u>27,500</u>	<u>22,013,253</u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

10 Property, plant and equipment

(a) Movements in carrying amounts of property, plant and equipment

	Land and buildings	Plant and Equipment	Furniture, Fixtures and Fittings	Motor Vehicles	Computer Software	Total
	\$	\$	\$	\$	\$	\$
Year ended 31 December 2021						
Balance at the beginning of year	20,672,966	162,392	81,736	247,366	32,600	21,196,460
Additions	4,000	105,337	9,946	90,568	17,120	226,971
Disposals - written down value	-	-	-	(6,174)	-	(6,174)
Depreciation expense	(555,607)	(55,669)	(23,929)	(109,335)	(9,790)	(754,330)
Balance at the end of the year	20,120,760	212,060	67,754	222,425	39,930	20,662,929

Notes to the Financial Statements

For the Year Ended 31 December 2022.

11 Trade and Other Payables

	2022	2021
	\$	\$
Trade payables	403,889	551,641
Other payables	250,813	335,205
	<u>654,696</u>	<u>886,846</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

(a) Payables to other reporting units and related parties

Independent Education Union of Australia - National Office	8,025	4,780
Refund due to Committee of Management member due to deposit in error returned subsequent to year end	-	80,005

(b) Other payables disclosures

Legal fees- Other legal matters	3,300	3,028
Payable to employees for making payroll deductions of membership subscriptions	2,111	

12 Other Financial Liabilities

Revenue received in advance- contracts from customers	<u>439,823</u>	<u>368,580</u>
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Notes to the Financial Statements

For the Year Ended 31 December 2022

13 Employee Benefits

	2022	2021
	\$	\$
<i>Current liabilities</i>		
Annual leave	1,666,865	1,826,669
Long service leave	2,313,621	2,595,948
	<u>3,980,486</u>	<u>4,422,617</u>
<i>Non-current liabilities</i>		
Long service leave	-	18,773
		<u>18,773</u>

(a) Total employee benefits attributable to:

Employee provisions

Office Holders* - Current

Annual leave	579,769	543,194
Long service leave	1,049,003	1,123,856
	<u>1,628,772</u>	<u>1,667,050</u>

Employees other than office holders

- Current

Annual leave	1,087,096	1,283,475
Long service leave	1,264,618	1,472,092
	<u>2,351,714</u>	<u>2,755,567</u>

Employees other than office holders

- Non-current

Long service leave	-	18,773
		<u>18,773</u>
	<u>3,980,486</u>	<u>4,441,390</u>

* Office holders are defined by the RO Act.

Notes to the Financial Statements

For the Year Ended 31 December 2022

14 Reserves

Amalgamation reserve

The amalgamation reserve was created when the New South Wales Independent Education Union was deregistered and it transferred its assets and liabilities to the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch – the transfer of these assets at fair value gave rise to an amalgamation reserve as per AASB 3 *Business Combinations*.

15 Financial Risk Management

	Note	2022 \$	2021 \$
Financial assets			
<i>Held at amortised cost</i>			
Cash and cash equivalents	6	9,062,203	12,209,805
Trade and other receivables	7	381,136	316,189
Term deposits	8	7,611,968	4,571,039
<i>Fair value through profit or loss (FVTPL)</i>			
Shares in unlisted entity	8	50	50
Total financial assets		17,055,357	17,097,083
Financial liabilities			
Trade and other payables	11	643,729	986,846
Lease liabilities		28,025	76,797
Total financial liabilities		671,754	963,643

Liquidity risk

Liquidity risk arises from the Branch's management of working capital. It is the risk that the Branch will encounter difficulty in meeting its financial obligations as they fall due.

The Branch's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due.

The Branch manages its liquidity needs by carefully monitoring cash-outflows due in day-to-day business.

Notes to the Financial Statements

For the Year Ended 31 December 2022

15 Financial Risk Management

Liquidity risk

The Branch's liabilities have contractual maturities which are summarised below:

	Less than 1 year		Total	
	2022	2021	2022	2021
	\$	\$	\$	\$
Trade and other payables	643,729	886,846	643,729	886,846

Credit risk

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

The Branch does not hold any financial assets with terms that have been renegotiated, but which would otherwise be past due or impaired.

The other classes of receivables do not contain impaired assets.

Market risk

The Branch is not exposed to a material level of interest rate risk or equity price risk.

(a) Net income from financial assets

	2022	2021
	\$	\$
Term Deposits		
Interest Income	107,940	42,577

(b) Fair value estimation

The fair values of financial assets and financial liabilities are consistent with their carrying values as presented in the balance sheet. Fair values are those amounts at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Notes to the Financial Statements

For the Year Ended 31 December 2022

16 Fair Value Measurement

The Branch measures the following assets and liabilities at fair value on a recurring basis:

Fair value hierarchy

AASB 13 *Fair Value Measurement* requires all assets and liabilities measured at fair value to be assigned to a level in the fair value hierarchy as follows:

Level 1	Unadjusted quoted prices in active markets for identical assets or liabilities that the entity can access at the measurement date.
Level 2	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
Level 3	Unobservable inputs for the asset or liability.

The table below shows the assigned level for each asset and liability held at fair value by the Branch:

	Level 1	Level 2	Level 3	Total
31 December 2022	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Unlisted Shares	-	-	50	50

	Level 1	Level 2	Level 3	Total
31 December 2021	\$	\$	\$	\$
Recurring fair value measurements				
Financial assets				
Unlisted Shares	-	-	50	50

Notes to the Financial Statements

For the Year Ended 31 December 2022

16 Fair Value Measurement

Level 3 measurements

The Committee of Management believe that the fair value of these shares is equal to the cost that was paid for them, as they have no right to variable return for the entities.

17 Key Management Personnel Disclosures

The totals of remuneration paid to the key management personnel of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch during the year are as follows:

	2022	2021
	\$	\$
Salary (including leave taken)	1,479,980	1,498,262
Leave accrued	193,195	201,522
	<u>1,673,175</u>	<u>1,699,784</u>
Long-term benefits		
Long service leave	(74,852)	(29,306)
Post-employment benefits		
Superannuation	220,888	222,081
	<u>1,819,211</u>	<u>1,892,559</u>

(Key management personnel are defined at note 20(a).

18 Auditors' Remuneration

Remuneration of the auditor, Daley Audit, of the Branch for:

- auditing of the financial report	46,450	51,010
- other services - taxation assistance	-	2,500
	<u>46,450</u>	<u>53,510</u>

Notes to the Financial Statements

For the Year Ended 31 December 2022

19 Contingencies

In the opinion of the Committee of Management the Branch did not have any contingencies at 31 December 2022 (31 December 2021: None).

Contingent Liabilities

As a benefit of membership, the Branch has undertaken to fund the future legal costs of a number of member matters. Whilst it is difficult to quantify the commitment that has been made, the Branch's exposure to costs being incurred is limited and can be controlled. Accordingly, the collective value of the potential contingent liability to the Union is not able to be measured reliably, nor is it considered to be material, and hence no further information has been disclosed.

Contingent Assets

Similarly, having funded the legal costs of member matters over numerous years, the Branch considers it probable that future recoveries will be made in relation to such legal services disbursements. However, the prospects of success and quantum of recoveries are not able to be measured reliably, nor are they considered to be material, and hence no further information has been disclosed.

20 Related Parties

(a) The Branch's main related parties are as follows:

(i) Key Management Personnel (KMP)

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Committee (whether executive or otherwise) of that entity are considered KMP.

For details of remuneration disclosures relating to key management personnel, refer to Note 17, Key Management Personnel Disclosures.

Other transactions with KMP and their related entities are shown below.

Notes to the Financial Statements

For the Year Ended 31 December 2022

20 Related Parties

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

- Amounts owed to and amounts owed by the Branch to other Reporting Units are disclosed in notes 7(b) and 11(a) respectively.
- Capitation and affiliation fees paid are disclosed in note 5.

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Notes to the Financial Statements

For the Year Ended 31 December 2022

20 Related Parties

The following transactions occurred with related parties:

	2022	2021
	\$	\$
Independent Education Union of Australia - National Office		
- Payroll tax expense	(51,188)	(44,649)
- Postage expense	(822)	(745)
- Rental income	3,013	36,152
- Salary reimbursement	130,044	82,718
- Electricity reimbursement	511	867
- Campaign reimbursement	(18,408)	-
- Income reimbursement		548
Independent Education Union of Australia - Queensland/Northern Territory Branch		
- Publication sales	54,883	56,485
Independent Education Union of Australia - South Australia Branch		
- Publication sales	342	342
Independent Education Union of Australia - Victoria/Tasmania Branch		
- Publication sales	47,728	48,374
Independent Education Union of Australia - Western Australia Branch		
- Publication sales	1,710	981

Notes to the Financial Statements

For the Year Ended 31 December 2022

21 Cash Flow Information

(a) Reconciliation of result for the year to cashflows from operating activities

	2022	2021
	\$	\$
Result for the year	1,881,122	2,651,755
Cash flows excluded from profit attributable to operating activities		
- depreciation expense	888,788	809,011
- loss on disposal of property, plant and equipment	187,487	6,172
- gain on sale of assets held for sale	-	(553,167)
Changes in assets and liabilities:		
- (increase)/decrease in trade and other receivables	(59,182)	107,107
- (increase)/decrease in other assets	51,208	(99,197)
- increase/(decrease) in trade and other payables	(171,874)	221,810
- increase/(decrease) in employee benefits	(460,904)	117,745
Cashflows from operations	<u>2,316,646</u>	<u>3,257,036</u>

(b) Cash flow information - reporting units

Net cash flows from Reporting Units:

Independent Education Union of Australia - National Office	133,921	126,544
Independent Education Union of Australia QLD/NT Branch	60,372	62,134
Independent Education Union of Australia VIC/TAS Branch	52,501	53,211
Independent Education Union of Australia WA Branch	1,881	1,024
Independent Education Union of Australia SA Branch	376	376

Net cash flows to Reporting Units:

Independent Education Union of Australia - National Office	(916,573)	(843,375)
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Notes to the Financial Statements

For the Year Ended 31 December 2022

22 Events Occurring After the Reporting Date

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.

23 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 General Manager

1. A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
2. The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
3. A reporting unit must comply with an application made under subsection (1).

Subsection 255 (2A) report

For the year ended 31 December 2022

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2022.

2022 - Expenditure as required under s. 255(2A) RO Act



2021 - Expenditure as required under s. 255(2A) RO Act



Carol Matthews
Acting Secretary

Dated: 14 April 2023

Officer Declaration Statement

I, Catal Matthews, being the Acting Secretary of the Independent Education Union of Australia - New South Wales/Australian Capital Territory Branch, declare that the following activities did not occur during the reporting period ending 31 December 2022 (including the comparative year).

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- ~~receive periodic or membership subscriptions~~
- receive capitation fees from another reporting unit
- ~~receive any other revenue amount from another reporting unit~~
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- ~~incur fees as consideration for employees making payroll deductions of membership subscriptions~~
- ~~pay capitation fees to another reporting unit~~
- ~~pay any other expense to another reporting unit~~
- ~~pay affiliation fees to other entity~~
- pay compulsory levies
- pay a grant that was \$1,000 or less
- ~~pay a grant that exceeded \$1,000~~
- ~~pay a donation that was \$1,000 or less~~
- ~~pay a donation that exceeded \$1,000~~
- ~~pay wages and salaries to holders of office~~
- ~~pay superannuation to holders of office~~
- ~~pay leave and other entitlements to holders of office~~
- pay separation and redundancy to holders of office
- ~~pay other employee expenses to holders of office~~
- ~~pay wages and salaries to employees (other than holders of office)~~
- ~~pay superannuation to employees (other than holders of office)~~
- ~~pay leave and other entitlements to employees (other than holders of office)~~
- pay separation and redundancy to employees (other than holders of office)
- ~~pay other employee expenses to employees (other than holders of office)~~
- ~~pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit~~
- ~~incur expenses due to holding a meeting as required under the rules of the organisation~~
- ~~pay legal costs relating to litigation~~
- ~~pay legal costs relating to other legal matters~~
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- ~~have a recourse with other reporting unit(s)~~

Officer Declaration Statement

- ~~• have a payable with other reporting unit(s)~~
- ~~• have a payable to an employer for that employer making payroll deductions of membership subscriptions~~
- have a payable in respect of legal costs relating to litigation
- ~~• have a payable in respect of legal costs relating to other legal matters~~
- ~~• have an annual leave provision in respect of holders of office~~
- ~~• have a long service leave provision in respect of holders of office~~
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- ~~• have an annual leave provision in respect of employees (other than holders of office)~~
- ~~• have a long service leave provision in respect of employees (other than holders of office)~~
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- ~~• have a balance within the general fund~~
- ~~• provide cash flows to another reporting unit and/or controlled entity~~
- ~~• receive cash flows from 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



Carol Matthews
Acting Secretary

Dated: 14 April 2023



Independent Audit Report to the members of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch ("the Branch"), which comprises the balance sheet as at 31 December 2022, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management Statement, the subsection 255 (2A) report and the Officer Declaration Statement.

In our opinion, the accompanying financial presents fairly, in all material aspects, the financial position of the Branch as at 31 December 2022 and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) the Australian Accounting Standards; and
- (ii) any other requirements imposed by the Reporting Guidelines or Part 9 of chapter 8 of the *Fair Work (Registered Organisations) Act 2009* ("the RO Act").

We declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

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 auditor independence requirements of the ethical requirements of the Accounting Professional and Ethical Standards Board's *APES 110 Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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**Independent Audit Report
to the members of Independent Education Union of Australia New South Wales
/Australian Capital Territory Branch**

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 Auditors 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 included in the Operating Report accompanying the financial report.

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

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

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

Responsibilities of Committee of Managements for the Financial Report

The Committee of Management of the Branch are 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 Managements 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 Managements 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 Committee of Managements either intend to liquidate the Branch or to cease operations, or have no realistic alternative but to do so.



Independent Audit Report to the members of Independent Education Union of Australia New South Wales /Australian Capital Territory Branch

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 Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the 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.
- 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.



**Independent Audit Report
to the members of Independent Education Union of Australia New South Wales
/Australian Capital Territory Branch**

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.

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


Daley Audit


Stephen Milgate
Partner

Wollongong
Dated: 14 April 2023

Registration Number (as registered under the RO Act): AA2017/127

Liability limited by a Scheme approved under Professional Standards Legislation.