Fair Work Commission

22 June 2023

Professor Carolyn Evans
President
Australian Higher Education Industrial Association

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

Dear Professor Carolyn Evans

Australian Higher Education Industrial Association
Financial Report for the year ended 31 December 2022 – (FR2022/220)

I acknowledge receipt of the financial report for the year ended 31 December 2022 for the Australian Higher Education Industrial Association. The documents were lodged with the Fair Work Commission (the Commission) on 21 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 s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (**RO Act**) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2023 may be subject to an advanced compliance review.

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

You must rotate your 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 Rod Hutton 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 Rod Hutton 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.

Reporting Requirements

The Commission's 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 Commission 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 is available via this link.

If you have any queries regarding this letter, please contact me on (03) 8650 0181 or by email at Madeleine.Hurrell@fwc.gov.au.

Yours sincerely

Madeleine Hurrell

Madeleine Hurrell
Financial Reporting Officer
Fair Work Commission - Registered Organisations Governance & Advice Branch

Australian
Higher
Education
Industrial
Association

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

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

DESIGNATED OFFICER'S CERTIFICATE

Certificate for the year ended 31 December 2022

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

- that the document lodged herewith is a copy of the operational and financial reports (Full Report) for the *Australian Higher Education Industrial Association* for the 12 months period ended 31 December 2022; and
- that the Full Report was provided to members of the reporting unit on 23 March 2023; and
- that the Full Report was presented to a general meeting of the reporting unit on 20 June 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009.*

Signature of prescribed designated officer:

PROFESSOR CAROLYN EVANS

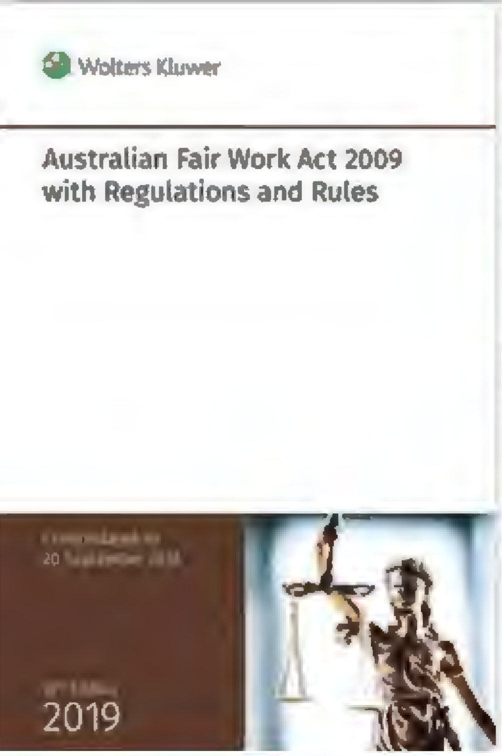
PRESIDENT

Date: 20/6/ 2023

HEAD OFFICE
Level 6
303 Collins Street
Melbourne
VIC 3000

Email:
aheia@aheia.edu.au
Web:
www.aheia.edu.au

ABN: 74 401 952 624



AHEIA Annual Report

Australian
Higher
Education
Industrial
Association

2022

For the financial year ending
31 December 2022

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PRESIDENT'S MESSAGE

I am pleased to present the Australian Higher Education Industrial Association's annual report for 2022.

Having spent the past 18 months as AHEIA's President, it is pleasing to see that the organisation has continued to grow and adapt to the ever-changing environment facing our members.

This year has seen our sector grapple with post-Covid issues that continued to have a significant impact on the way we now work, in addition to the once in a decade changes recently made to the *Fair Work Act*.

After seeing AHEIA's interaction with our members and other key stakeholders during my first six months as President, it was evident to me that the organisation needed to invest more time and resources to develop a fully-fledged policy and advocacy capability. Until this pivot, AHEIA had primarily focused on providing expert and timely advice to members concerning operational HR/IR issues. To this end, the Executive Committee instructed the new Executive Director and his team to formally develop a deeper and more proactive policy and advocacy function.

The timing of this change was fortuitous, given the significant changes to Australia's industrial relations framework that occurred late in 2022. The Organisation was well prepared to engage the Government, Opposition and cross benchers to strongly advocate on your behalf. It is fair to say that AHEIA played a role in influencing the Government to make important, practical amendments to its proposed legislative IR reforms.

In 2022 we farewelled one long-serving Executive Director and welcomed a new one. I would like to thank Stuart Andrews for his excellent service to the Organisation over a ten year period and to wish him well in retirement. I would like to thank our new Executive Director, Craig Laughton and his team for embracing the policy and advocacy changes requested of them by AHEIA's Executive Committee. I would also like to thank Mr Angelo Kourtis (Western Sydney University) and Rick Willmott (Charles Sturt University) for their excellent contribution to the Executive Committee as they finish their terms and take this opportunity to welcome the recently elected Vice Chancellor Renee Leon to the Executive Committee.

As we move into 2023, I believe AHEIA is well placed to assist our members to work through the significant changes to Australia's IR landscape, whilst at the same time continuing to provide our core service offering of operational HR/IR support.

Finally, as we embark on 2023, given the uncertainty that our sector is facing, it is important than ever for our sector to work together in a strong collegiate manner to help ensure that as a sector we can efficiently and effectively manage the transition to the new IR framework.

FROM THE EXECUTIVE DIRECTOR

The higher education sector has experienced a once in a decade change. The *Secure Jobs, Better Pay Act*, which amended the *Fair Work Act* is likely to create uncertainty and additional transaction costs for all Australian universities. In 2022 AHEIA invested a significant amount of time and effort to provide members with a range of practical resources to guide you through these changing times and provide robust feedback to the Government and other members of Parliament.

As a relative newcomer to the role, I have been extremely impressed by the willingness of all members to contribute your views and opinions to the organisation's policy and advocacy pivot. You have helped us better understand the daily challenges that you face: the clear articulation by you of the key issues impacting your ability to work more efficiently and effectively has been greatly appreciated and has strongly influenced our new policy and advocacy agenda.

2022 began with the sector focusing on its emergence from Covid and efforts to encourage both staff and students to return to campus. AHEIA was busy supporting members with their respective return to campus initiatives and the various challenges associated with this process. In particular, AHEIA provided assistance to numerous members concerning the return of unvaccinated staff to campus.

Early rounds of bargaining were heavily focused on salary increases due to inflationary pressures emerging in the economy. Negotiation of conditions and productivity-based returns were replaced with discussions focusing on the quantum of salary increase each member was likely to sign up to over the next three-year period. Given the continued presence of inflationary pressures, we expect to see the unions continue their focus on pursuing significant wage increases in 2023, combined with a heavy focus on the casual conversion process and outcomes. This may result in unions continuing to disregard the need for productivity based returns, which could present an issue for our members during negotiation.

With key provisions of the amended Fair Work Act due to take effect in mid-2023, many members now face a concerted push to finalise their enterprise agreements in an effort to mitigate the uncertainty associated with transitioning to a newly defined IR landscape. All members will need to review their current bargaining strategies to mitigate any adverse impacts and reduce the transaction cost of implementing the Act's new provisions. The looming spectre of multi-employer agreements will require members to work closely and transparently during negotiations over the coming months and years. AHEIA will be on hand to provide proactive advice and guidance for the membership to help members close out the current round of bargaining and, just as importantly, prepare for the upcoming round.

I would also like to thank the Executive Committee for their very practical, hands on leadership. It is essential that member organisations are able to leverage all avenues to assist members and to this end, proactive, highly skilled leaders are a vital ingredient in helping to maximise benefits to members.

Finally, I would like to take a moment to say thank you for all your support since July. AHEIA has undergone significant change over this period and your contributions to these changes have been greatly appreciated. We as an organisation have appreciated your overwhelming support for the organisation to play a far more active advocacy role, work with the media, with the Government, and with Parliamentarians more broadly. Whilst 2023 will no doubt be a challenging year for all of us, AHEIA is now well placed to proactively engage in a meaningful dialogue with the Government, the unions, and other critical stakeholders, on key issues that will impact our sector over the next three years and beyond.

OPERATING REPORT

PRINCIPAL ACTIVITIES

Early in 2022, under the proactive leadership of Professor Carolyn Evans, the Executive Committee instructed the organisation to direct a significant amount of time and effort into the establishment of an effective policy and advocacy function. AHEIA had previously focused primarily on the provision of advice to assist our members with bargaining and practical issues impacting the workplace. Given the depth and breadth of the recent amendments to the *Fair Work Act*, the investment in the development of our policy and advocacy function saw AHEIA well placed to engage directly with the lawmakers in Canberra to voice our numerous reservations with the new IR framework.

The amendments to the *Fair Work Act* represent the biggest paradigm shift to workplace relations in Australia in several decades and certainly since the Act was first introduced in 2009. These changes will likely create significant challenges for all members.

Key amendments to the Act included:

- Prohibitions/limitations on the use of fixed-term contracts in certain circumstances
- Significant widening of access to multiple employer agreement making
- Changes to the agreement approval process
- Introduction of compulsory arbitration by the FWC for ‘intractable bargaining disputes’
- Changes to the ability of organisations to terminate Enterprise Agreements
- Promotion of flexible working arrangements (FWAs)
- Promoting gender equity and strengthening the legal framework in respect of prevention of sexual harassment
- Minor amendments to anti-discrimination protections

The Bill was introduced to the House of Representatives on 27 October 2022, comprising 249 pages of proposed legislation. AHEIA and other national employer groups immediately expressed concern with the speed at which the Government was moving, including a very limited consultation window. Further, the Senate Education and Employment Standing Committee (Senate Committee), was given just 22 days to conduct public hearings with interested stakeholders and report back to the Senate on the proposed Bill – this was at the same time as the Budget Estimates process was underway

In addition to the above, soon after its introduction and following the raising of considerable concerns by AHEIA and other employer groups, the Minister announced a number of significant amendments to the legislation.

As the legislative process unfolded, AHEIA briefed members and gained vital feedback about their concerns regarding the impact of the changes. These concerns were especially acute in relation to enterprise bargaining processes and the use of fixed-term employment contracts.

AHEIA advocated on behalf of the sector through media engagement, formal written submissions to the Senate Committee and face-to-face meetings with members of the Government, Opposition and Senate Cross Benchers. In particular, AHEIA held a number of meetings and discussions with Senator David Pocock.

The effectiveness of AHEIA's efforts in its advocacy efforts cannot be understated. In the Final Senate Standing Committee report – Senator Pocock quoted AHEIA with respect to one of our specific sector concerns i.e. proposed limitations to the engagement of staff on fixed-term employment. On the fixed-term employment provisions, AHEIA played an important role in advocating for a 12-month delay before these provisions are to be introduced. This delay will be crucial to provide additional time for the sector to ready itself for this significant change.

Lachlan Carr, AHEIA with Senator David Pocock.

Our recent advocacy activities have helped to cement AHEIA as the higher education sector's peak body for industrial relations matters. We will continue to work closely with Canberra over the next 12 months to provide proactive advice to help mitigate many unintended adverse consequences of transitioning to the new IR framework.

The depth and breadth of the above reforms necessitated the hosting of numerous information sessions for members. Often these sessions would have industry experts attending. These sessions were extremely well attended and provided a real time channel for members to raise their own queries for real time responses.

Despite AHEIA's policy and advocacy pivot, we remain committed to supporting members with our usual services. We will be reaching into reserves to access additional resourcing so that we can provide our new broader member service without adversely impacting the timely delivery of practical and expert workplace relations advice.

As a direct consequence of the amendments to the *Fair Work Act*, apart from lobbying government for practical amendments, AHEIA has been working hard to develop practical strategies to support members as the amendments begin to take effect, with a focus on mitigating risk and reducing transition costs. Given the number of enterprise agreements still not finalised, we expect AHEIA will continue to direct considerable resources to these specific activities throughout 2023.

2022 has seen a significant increase in AHEIA's media profile. Developing a stronger media presence is an essential element to the implementation of an effective policy and advocacy function. In 2022 AHEIA's media presence was predominately reacting to issues is they arose. As we head into 2023, AHEIA will endeavour to proactively influence various narratives impacting our sector in a effort to propagate greater influence amongst our key stakeholders.

ENTERPRISE BARGAINING

Bargaining proceeded sluggishly in most universities throughout 2022, with only six Universities completing enterprise bargaining agreements by the end of the year.

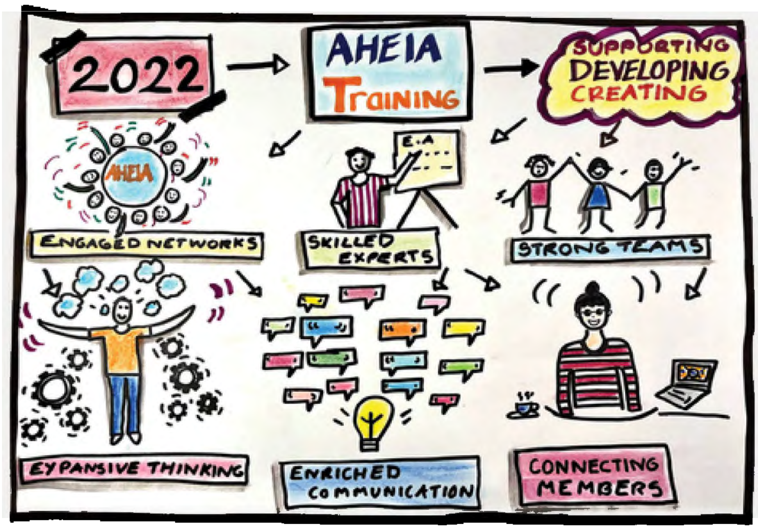
Throughout 2022, the bargaining landscape was subject to regular change due to factors such as the new federal government, regularly increased wage demands from unions and the introduction of a new legislative environment. Combined with uncertainty around the return of international students and other funding sources, universities have mostly been unwilling or unable to provide salary increases at the level sought by unions.

Although Southern Cross, Griffith (professional staff) and Charles Darwin Universities were successful in making agreements with their staff against union opposition, they have subsequently faced opposition from the union in getting these agreements approved. The Association is actively assisting these universities in dealing with these challenges. Three other universities (Western Sydney, Australian Catholic University, and the University of Tasmania) also completed their bargaining, this time with union agreement.

Annualised wage increases in the completed agreements ranged from 2.34% to 3.63% per annum. Many universities are now looking at paying flat dollar increases as opposed to percentage rises to mitigate the full cost of union demands.

Industrial action has been very limited, and only a few staff have chosen to participate in the small number of industrial action notifications so far. AHEIA will continue to assist members in dealing with such action in 2023.

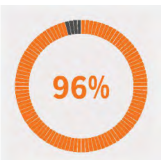
LEARNING & DEVELOPMENT ACTIVITIES



Despite the continuing challenges of 2022, the Association provided training to 409 participants from 23 universities over the course of the year. With the challenges of COVID the Association continued to offer the majority of programs in a virtual classroom setting. Feedback overall continued to be very positive with 90% of respondents who attended an AHEIA Training program providing an overall satisfaction rating of either 'Very Good' or 'Good'. The Association's Learning and Development team continued to provide a range of professional development programs for members and hosted and chaired a range of AHEIA network meetings and events which were highly valued by members.

OD NETWORK EVENTS

In lieu of AHEIA's annual OD Network Symposium, OD Network members were invited to attend a very special professional development workshop on 11 October 2022 sponsored by Franklin Covey – '*Speed of Trust Foundations*'. Participant feedback was very positive with all participants rating the workshop overall as 'Very Good' or 'Good'. One participant encapsulated the group's feedback sentiments with 'Thank you Gerard and Annemarie for organising this wonderful PD for the OD Network - we appreciate it. It was a great session and Richard is a wonderful facilitator and the Franklin Covey materials are GREAT. It was great that we could attend virtually too - it makes it easier to attend.'



96% of program attendees rated the program overall as Very Good

AHEIA NETWORKING GROUPS

Organisation Development (OD) Network - Talent Acquisition, Recruitment and Employee Experience (TAREE) Network - Strategic Workforce Planning (SWP) Network.

With the many challenges faced by staff working in the sector during the year, the Association's specialist network communities continued to play a key role in supporting members throughout the year providing connection, collaboration, and professional development opportunities. As in previous years, there was a great deal of communication between network members and the Association's Learning & Development team. Several meetings were organised with guest presenters and facilitated discussions to address particular areas of interest and topical issues.

ENTERPRISE BARGAINING FORUM

On 23 November 2022, the Association was pleased to host its first face-to-face member event for three years. The annual Enterprise Bargaining Forum was held at the Melbourne offices of PriceWaterhouseCoopers and was a highly interactive event that also provided attendees with a significant networking opportunity. The Forum was attended by around 70 human resources and workplace relations practitioners and other senior staff with responsibility for enterprise bargaining, most of whom had travelled from interstate.

Keynote presentations from expert partners at PwC Australia focused on *Collective Bargaining under the New Regime: How can I be seen as an employer of choice?* And *Higher Education risks and challenges, with a deep dive into legislative change*. AHEIA workplace relations staff facilitated sessions on *Bargaining Achievements and Proposals* and *Bargaining Playbook and Hypotheticals*, with major input from member attendees who shared their knowledge with colleagues. Attendees also received a Forum booklet, including comprehensive data on salaries, logs of claims, and industrial action in the current bargaining round.

CHIEF PEOPLE OFFICER FORUM

The AHEIA Chief People Officer Steering Group comprises 8 Chief People Officer/Human Resources Directors from a diverse range of member universities. It is a key consultation and interaction channel for the Association to engage with the CPOs/HRDs more widely. An important role of the Steering Group is to organise two Forums each year, held in conjunction with AHEIA's two conferences. The Forums in 2022 were held in a virtual format and attended by almost all member universities, with a lively discussion among attendees.

At the Forum held on 18 May 2022, members of the Steering Group facilitated sessions on *Casual Academic employment and creating talent/career pathways*, which included consideration of ethical and legal issues of management of casual employees, exploration of different employment arrangements; and *Addressing underpayments in the higher education sector*, in which there was discussion of the Senate Committee Report, and several members shared their recent experiences in dealing with issues of identified underpayments.

Major presentations at the Forum held on 7 September 2022 were from the newly appointed AHEIA Executive Director, who addressed the group on *AHEIA's Strategic Vision: priorities, challenges and opportunities*, and from partners at Corrs Chambers Westgarth, Graeme Watson and Jack de Flamingh, on *Workplace Relations Reform under the Albanese Government – The Jobs and Skills Summit and Beyond*.

QUEENSLAND INITIAL TEACHER EDUCATION (ITE)

During 2022 (and early Jan 2023), AHEIA worked closely with the Queensland Council of Deans of Education and Queensland member CPOs and Workplace Relations Practitioners to support the negotiation of a three-year commercial agreement (concluding 31 Dec 2025) with the two Queensland Education Unions (Queensland Teachers Union and Independent Education Union) over the provision of critical school placements for Initial Teacher Education (ITE).

School placement and school teacher supervision in ITE is a key partnership between the Department of Education Queensland, Independent Schools Queensland, Queensland Catholic Education Commission and Queensland Member Universities providing teacher education. Under the commercial agreement, member universities pay individual Queensland school teachers involved in the supervision of university students a daily allowance. The new agreement replaces an interim position reached with parties in 2021 and provides for an average 3.67% pa increase on the daily rate (in 2023 the supervision rate will be $24.70 per day) as well as importantly clarifying roles and responsibilities. The agreement provides members with certainty about this essential supervision provision and costs for the next three years.

EB DIAL-INS

2022 marked the beginning of bargaining or, at the least, bargaining preparations for many universities. This saw consistently solid member attendance and participation in the fortnightly held EB Dial-In meetings hosted by AHEIA. Information sharing as to bargaining progress and challenges from each university member continued to be a particularly highly valued aspect of the network meetings. Towards the end of the year, AHEIA staff gave a number of specialist briefings on bargaining topics including industrial action, fixed-term employment and changes to the Fair Work Act 2009.

SPECIAL UPDATE - IR BILL

Three days after its passage on 9 December AHEIA used the scheduled EB Dial-In to provide members with a special update the fair work legislation amendments (secure jobs, better pay) bill 2022. Graeme Watson of Corrs provided a large member turnout (over 70 members) with an overview of the key changes to bargaining and other important provisions. Craig Laughton, AHEIA's Executive Director, led a discussion as to its implications for bargaining strategy. AHEIA launched a bargaining strategy roadmap with various scenarios for members' consideration and feedback. The special update was well received, with many members making follow-up queries and indicating that they intend to draw on the road map to brief internally and to inform their bargaining strategy going forward.

UNIVERSITIES HR BENCHMARKING PROGRAM

This was the tenth year that AHEIA has administered the Universities HR Benchmarking Program since its establishment in 2004, which followed collaboration between a number of Australian universities who were seeking to compare and contrast human resource data with like institutions. In 2022, the program comprised 31 full members from Australia, with 28 member universities contributing data for the 2022 report.

Members collate and submit information about their university, which is analysed and reported across a wide range of measures, drawing comparisons to the university sector as a whole or a defined sub-group of universities. Each year, AHEIA reviews the program, including the survey measures, how data is received and input, and how we report results back to program members.

The "Gender Pay Gap" measure was introduced in 2022, with a GPG definition being agreed upon following further extensive feedback from program members.

A Beta version of the Power BI executive dashboard was launched in August 2022 prior to the Universities HR Benchmarking Virtual Conference in September. Additional post-conference feedback was also received to fine-tune the dashboard for enhancement in 2023.

KEY FINDINGS FROM THE 2021 BENCHMARKING SURVEY INCLUDED:

In 2021, employment costs as a percentage of revenue were 49.9% of total university income.

Total staff turnover within the sector has increased slightly from 16.7% in 2020 to 18.5% in 2021. Staff turnover was highest for Academic Level A (32.7%), Senior Academic Staff (30.4%) and HEW 10+ (24.9%). Voluntary Employee Initiated Turnover remains the primary staff turnover reason, at 9.7% in 2021, an increase from 6.8% in 2020. Voluntary University Initiated Turnover decreased in 2021 from 3.2% in 2020 to 2.6% in 2021, while Involuntary University Initiated Turnover increased in 2021 from 0.7% in 2020 to 0.9% in 2021.

Fixed-term contract expirations decreased from 5.9% in 2020 to 5.2% in 2021. Voluntary Employee Initiated Turnover for staff with less than 12 months of service increased slightly from 1.6% in 2020 to 1.8% in 2021. Academic Staff Level A and Professional Staff HEW 1-5 were most likely to leave within their first year of employment at 3.6% and 3.3% respectively in 2021.

Gains in female representation continue to be made. The proportion of female staff within the university sector workforce has increased slightly over the last five years. In 2022, 58.1% of the workforce was female compared to 56.4% in 2017. Female representation in the professional staff workforce was 65.8% in 2022 compared to 48.4% for academic staff. Senior Academic Staff and Level E academic staff groups had the lowest proportion of female staff representation with 39.7% and 32.9% female representation respectively, in 2022. Academic Level D and Academic Level E representation increased by 12.3% and 14.4% since 2018 and senior staff/managers increased by 13.1% in the same period.

This year the Program introduced two gender pay gap measures. In 2021, the gender pay gap in total remuneration, inclusive of bonuses and allowances, was higher at 9.8%. The overall gender pay gap between male and female employees' base pay was 8.5%, an increase from 8.4% in 2017.

NATIONAL CONFERENCES

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

REIMAGINING THE FUTURE

The Higher Education HR/IR Conference theme was *Reimagining the FUTURE*, building on the 2021 Conference and AHEIA report by PwC Australia, titled: Transforming the Higher Education Workforce that analysed progress in Australian university workplace reform over the previous four years. Professor Patricia Davidson, Vice-Chancellor University of Wollongong gave the opening keynote presentation, *Challenges and opportunities facing the university sector*. Professor Andrew Norton, Professor in the Practice of HE Policy, Centre for Social Research and Methods, Australian National University spoke on the *State of the Sector: The next few years in higher education*, and Libby Lyons, Adjunct Professor, Australian Catholic University, and Chair, Science in Australia Gender Equity (SAGE) Ltd, discussed the *Post-pandemic recovery: Putting gender back on the agenda*. The conference's final session concluded with a panel discussion from CQ University, Professor Nick Klomp, Vice-Chancellor & President, Barbara Miller, Director, People and Culture, who gave a presentation on *Achieving excellence in university workplace psychosocial safety: CQU case study on the AHEIA Culture of Excellence Program*.

LEADERSHIP, CULTURE & STRATEGY

The Universities HR Benchmarking Conference titled *Leadership, Culture & Strategy* featured keynote scene-setting presentations from Professor Geraldine Mackenzie, Vice-Chancellor, University of Southern Queensland and Professor Renée Leon, Vice-Chancellor and President, Charles Sturt University on Day 1 and Day 2. Organisational & Coaching Psychologist and Adjunct Professor from the University of South Australia Dr Travis Kemp spoke on *Leadership and Culture Post Covid*, and Google Higher Education Program Manager, Ray Fleming gave a presentation titled *Sustaining a Culture of Innovation*.

The last day of the conference also showcased a survey conducted by Dr Peter Langford from Voice Project: *How has the employee experienced change post Covid*, followed by a presentation from Wendy Flint, Chief People Officer and Deborah Poulton, Associate Director, Strategy Engagement, University of Canberra regarding *The change journey involving key learnings and success stories*.

MEMBERSHIP AND GOVERNANCE

Our university members as of 31 December 2022 were 32 universities, and included:

- ACU Australian Catholic University
- CQUniversity Australia
- Charles Darwin University Australia
- Charles Sturt University
- Curtin University
- Deakin University
- ECU Edith Cowan University Australia
- Federation University
- Griffith University Queensland, Australia
- James Cook University Australia
- La Trobe University
- Macquarie University Sydney · Australia
- Murdoch University
- QUT the university for the real world
- RMIT University
- Southern Cross University
- Swinburne University of Technology
- The University of Adelaide
- University of Canberra
- une University of New England
- The University of Newcastle Australia
- The University of Notre Dame Australia
- The University of Queensland Australia Create Change
- University of South Australia
- University of Southern Queensland
- USC
- University of Tasmania
- UTS
- The University of Western Australia
- Victoria University Melbourne Australia
- University of Wollongong Australia
- Western Sydney University

GENERAL MEETINGS OF MEMBERS

An Extraordinary General Meeting of the Association was held by zoom videoconference on 31 May 2022.

Key tabled issues:

- Administrative pay increases put in place by UQ, Griffith University, WSU, LTU, RMIT University, University of Sydney, Deakin University (1.5%) and UNDA.
- Union claims focus on a 15% pay rise by the end of 2024, 17% superannuation for casuals, conversion and other rights for casuals and fixed-term staff, academic/intellectual freedom, and limits on the number of restructures that a university can undertake.
- University management claims to focus on a streamlining of disciplinary, change management and dispute processes (including removal of committees, where still existing) and freeing up of academic workload restrictions.
- FWC casual conversion dispute decision involving the non-offering of conversion of a casual to a permanent position. The case, found in favour of Flinders University, involved a casual academic not offered conversion to a teaching-focused position on a 40% part-time basis.
- Albanese Labor Government's IR agenda and the push for minimum wage increases in line with inflation.
- The appointment of Mr Craig Laughton as the new Executive Director, commencing 11 July 2022, as announced to members on 30 May.

The Annual General Meeting of the Association was held by Zoom videoconference on 29 November 2022.

Three key strands arising from the proposed amendments to the *Fair Work Act*:

- The amendments to strengthen the position of unions in bargaining with the result that it will no longer be possible to apply to the Fair Work Commission to terminate an enterprise agreement that has passed its Nominal Expiry Date; and it will be more difficult for an employer to proceed to a staff vote without union support.
- Multi-employer bargaining.
- Fixed term employment.

THE EXECUTIVE COMMITTEE

PRESIDENT
Professor Carolyn Evans
Vice Chancellor and President,
Griffith University

26 Oct 2021 - 2023 AGM
31 Jul 2021 - 26 Oct 2021
28 Oct2020 - 30 Jul 2021 (member)
11 Mar 2020 - 28 Oct 2020 (member)

VICE PRESIDENT
Professor Zlatko Skrbis
Vice-Chancellor and President,
Australian Catholic University

26 Oct 2021 - 2023 AGM

MEMBER
Professor Alex Zelinsky AO
Vice-Chancellor and President,
The University of Newcastle

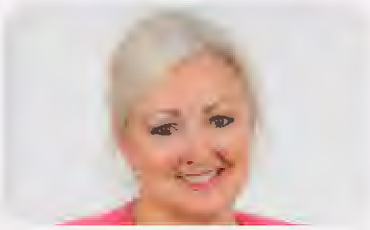
29 Nov 22 - 2024 AGM
6 Sep 2021 – 29 Nov 22

MEMBER
Professor Pascale Quester
Vice-Chancellor
Swinburne University of Technology

29 Nov 22 - 2024 AGM
1 Mar 2022 – 29 Nov 22

MEMBER
Professor Renée Leon PSM
Vice-Chancellor and President
Charles Sturt University

29 Nov 22 - 2024 AGM



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

29 Nov 22 - 2024 AGM
28 Oct 2020 –29 Nov 22
30 Oct 2018 - 28 Oct 2020
22 Aug 2017 - 30 Oct 2018

MEMBER
Angelo Kourtis
Vice-President People & Advancement
Western Sydney University

21 Jun 2021 – 29 Nov 22

MEMBER
Rick Willmott
Chief OperatingOfficer
Charles Sturt University

28 Oct 2020 – 31 Jan 22

EXECUTIVE COMMITTEE ELECTIONS AND APPOINTMENTS

The following four people were elected to the positions of AHEIA Executive Committee members, for two-year periods commencing at this AGM and concluding at the 2024 AGM:

- Professor Alex Zelinsky, Vice-Chancellor, University of Newcastle
- Professor Pascale Quester, Vice-Chancellor, Swinburne University
- Professor Renee Leon, Vice-Chancellor, Charles Sturt University
- Jane Booth, Executive Director People, Talent & Culture, University of South Australia

Professor Renee Leon replaces Angelo Kourtis, Vice-President People and Advancement Western Sydney University. Professor Alex Zelinsky, Professor Pascale Quester, and Jane Booth are all current members of the Executive Committee. These 4 executive committee members join Professor Carolyn Evans, Vice-Chancellor Griffith University (AHEIA president) and Professor Zlatko Skrbis, Vice-Chancellor Australian Catholic Universities.

MEETINGS OF THE EXECUTIVE COMMITTEE

Tuesday 1 March	Videoconference
Tuesday 26 April	Videoconference
Tuesday 21 June	Videoconference
Tuesday 16 August	Videoconference
Tuesday 11 October	Videoconference
Tuesday 29 November	Videoconference

OTHER SIGNIFICANT MATTERS

SIGNIFICANT CHANGES IN THE NATURE OF THE ASSOCIATION'S ACTIVITIES
Other than the appointment of a new executive director, there were no other significant changes in the nature of the Association's activities during the year.

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

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

DISCLOSURE STATEMENT
There are no officers or members of the Association who are trustees, or directors of a company that is a trustee, of a superannuation entity because they are a member or an officer of a registered organisation.

EMPLOYEES OF THE ASSOCIATION
There were nine full-time staff and one part-time staff employed by the Association as at 31 December 2022. Lachlan Carr commenced as a Workplace Relations Consultant in April, replacing Bianca Rance who departed earlier in the year. Craig Laughton commenced as the Executive Director in July, replacing Stuart Andrews who departed in the same month.

Employees of the Association (from left): Gerard Grant, Lachlan Carr, Fitri Elpilysia, Peter Raymond, Craig Laughton, Marcus Miller, Catherine Pugsley, Melissa Watson, Henry Wong, Annemarie Comerford.

PREPARATION OF THIS OPERATING REPORT
This Operating Report has been prepared by the President of the Association, Professor Carolyn Evans.

Date: 17 March 2023

FINANCIAL REPORT

INDEPENDENT AUDITORS REPORT

McLean Delmo Bentleys
THINKING AHEAD

McLean Delmo Bentleys Audit Pty Ltd
Level 3, 302 [illegible]wood Rd
Hawthorn Vic 3122
PO Box 582 Hawthorn Vic 3122
ABN 54 [illegible]13 655 584
T [illegible]61 3 [illegible]18 4600
F [illegible]61 3 [illegible]18 4799
info@mcdb.com.au
mcleandelmobentleys.com.au

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

Opinion
I have audited the financial report of Australian Higher Education Industrial Association ("AHEIA"), which comprises the statement of financial position as at 31 December 2022 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Committee of Management's Statement and the subsection 255(2A) report and the Officer Declaration Statement of the Reporting Unit.

In my opinion the accompanying financial report of AHEIA presents fairly, in all material respects, the entity's financial position as at 31 December 2022 and their financial performance and their cash flows for the year then ended in accordance with:

(i) Australian Accounting Standards; and

(ii) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act).

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

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

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

Information Other than the Financial Report and Auditor's Report Thereon
The Committee of Management of AHEIA is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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

McLean Delmo Bentleys
THINKING AHEAD

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

Responsibilities of the Committee of Management for the Financial Report
The Committee of Management of AHEIA is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Reporting Unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit's audit. I remain solely responsible for my audit opinion

McLean Delmo Bentleys
THINKING AHEAD

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

Auditor's Responsibilities for the Audit of the Financial Report (Continued)
I communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit

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

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

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

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

Rod Hutton
Partner

Hawthorn
21 March 2023

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

OFFICER DECLARATION STATEMENT

Australian
Higher
Education
Industrial
Association

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

OFFICER DECLARATION STATEMENT

I, Professor Carolyn Evans, being the President of the Australian Higher Education Industrial Association, declare that the following activities did not occur during the reporting period ending 31 December 2022.

The reporting unit did not:

- receive any other revenue from another reporting unit
- receive revenue from undertaking recovery of wages activity
- pay any other expense to another reporting unit
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cash flows to another reporting unit
- receive cash flows from another reporting unit
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

PROFESSOR CAROLYN EVANS

President

Date: 17/03/2023

HEAD OFFICE
Level 6
303 Collins Street
Melbourne
VIC 3000

Email:
aheia@aheia.edu.au
Web:
www.aheia.edu.au

ABN: 74 401 [illegible] 824

COMMITTEE OF MANAGEMENT STATEMENT

Australian
Higher
Education
Industrial
Association

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

COMMITTEE OF MANAGEMENT STATEMENT

On 14 March 2023, the Executive Committee of Australian Higher Education Industrial Association ("reporting unit") passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 31 December 2022.

The Executive Committee declares that in its opinion:

1. the financial statements and notes comply with the Australian Accounting Standards;
2. the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of the year:
   i) meetings of the Executive Committee were held in accordance with the rules of the organisation; and
   ii) the financial affairs of the reporting unit have been managed in accordance with rules of the organisation; and
   iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
   iv) no information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act; and
   v) no orders have been made for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act;

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

For and on behalf of the Executive Committee:

Carolyn Evans

PROFESSOR CAROLYN EVANS

President

Date: 17/03/2023

HEAD OFFICE
Level 6
303 Collins Street
Melbourne
VIC 3000

Email
aheia@aheia.edu.au
Web
www.aheia.edu.au

ABN: 74 401 952 624

REPORT REQUIRED UNDER SUBSECTION 255 (2A)

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

REPORT REQUIRED UNDER SUBSECTION 255 (2A)
FOR THE YEAR ENDED 31 DECEMBER 2022

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

Descriptive form:

Categories of expenditures	**2022 $**	**2021 $**
Remuneration and other employment-related costs and expenses – employees	1,958,488	1,776,636
Advertising	-	-
Operating costs	641,676	699,652
Donations to political parties	-	-
Legal costs	-	21,602

PROFESSOR CAROLYN EVANS
President

Date: 17/03/2023

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2022

	Notes	2022 $	2021 $
Revenue from ordinary activities	3	**2,712,292**	**2,770,220**
Expenses			
Employee expenses	4A	(1,958,488)	(1,776,636)
Depreciation and amortization		(165,520)	(159,773)
Occupancy expenses		(61,793)	(53,456)
Travelling expenses		(25,085)	(900)
Communication expenses		(31,033)	(34,101)
Printing and stationery expenses		(26,213)	(21,455)
Professional fees expense		(11,881)	(13,369)
Finance costs	4D	(26,424)	(29,569)
Legal costs	4B	(-)	(21,602)
Information technology expenses		(39,933)	(39,469)
Insurance expenses		(16,454)	(15,043)
Conference and meeting expenses		(199,020)	(279,103)
Other administration expenses	4C	(38,320)	(53,414)
Total expenses		**(2,600,164)**	**(2,497,890)**
Surplus for the year		**112,128**	**272,330**
Other comprehensive income:			
Items that will not be subsequently reclassified to profit and loss – Gain / (Loss) on equity instruments designated at FVTOCI	9C	(308,766)	194,511
Total comprehensive result for the year		**(196,638)**	**466,841**

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

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2022

	Notes	2022 $	2021 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	879,176	1,009,352
Trade and other receivables	5B	2,360,068	193,575
Other current assets	5C	46,369	59,674
Financial Assets	5D	3,343,364	3,562,147
Total current assets		**6,628,977**	**4,824,748**
Non-Current Assets			
Plant and equipment	6A	440,360	563,247
Intangible assets	6B	35,565	
Total Non-Current assets		**475,925**	**563,247**
Total ASSETS		**7,104,902**	**5,387,995**
LIABILITIES			
Current Liabilities			
Trade and other payables	7A	466,810	318,180
Other liabilities	7B	2,305,673	168,811
Employee provisions	7C	322,219	557,190
Total current liabilities		**3,094,702**	**1,044,181**
Non-Current Liabilities			
Trade and other payables	7A	284,101	400,339
Employee provisions	8A	712	21,450
Total non-current liabilities		**284,813**	**421,789**
Total LIABILITIES		**3,379,515**	**1,465,970**
NET ASSETS		**3,725,387**	**3,922,025**
EQUITY			
Reserves	9A	725,000	725,000
Investment revaluation reserve	9C	(166,981)	141,785
Accumulated surplus	9B	3,167,368	3,055,240
Total equity		**3,725,387**	**3,922,025**

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2022

	Reserves	Investment Revaluation Reserve	Accumulated Surplus	Total Equity
	$	$	$	$
Balance as at 1 January 2021	725,000	(52,726)	2,782,910	3,455,184
Surplus for the year	-	-	272,330	272,330
Other comprehensive income for the year	-	194,511	-	194,511
Closing balance as at 31 December 2021	**725,000**	**141,785**	**3,055,240**	**3,922,025**
Balance as at 1 January 2022	725,000	141,785	3,055,240	3,922,025
Surplus for the year	-	-	112,128	112,128
Other comprehensive income for the year	-	(308,766)	-	(308,766)
Closing balance as at 31 December 2022	**725,000**	**(166,981)**	**3,167,368**	**3,725,387**

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2022

	Notes	2022 $	2021 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		2,587,527	2,709,222
Payments to suppliers and employees		(2,514,001)	(2,418,253)
Interest received		5,151	2,173
Interest on lease payments		(26,424)	(29,569)
Net cash provided by operating activities	10A	**52,253**	**263,573**
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(78,198)	(2,140)
Net cash used in investing activities		**(78,198)**	**(2,140)**
CASH FLOW FROM FINANCING ACTIVITIES			
Repayment of principal portion of lease liabilities		(104,231)	(95,713)
Net cash used in financing activities		**(104,231)**	**(95,713)**
Net increase in cash held		(130,176)	165,720
Cash at beginning of year		1,009,352	843,632
Cash and cash equivalents at end of financial year	5A	**879,176**	**1,009,352**

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

NOTE 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

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

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

1.2 Comparative amounts

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

1.3 Revenue

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

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

Revenue from contracts with customers

Where the Association has a contract with a customer, the Association recognises revenue when or as it transfers control of goods or services to the customer. The Association accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Association.

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

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

NOTE 1 Summary of Significant Accounting Policies (continued)

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

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

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

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

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

Gains from sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Interest income

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

1.4 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the Association in respect of services provided by employees up to reporting date.

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

1.5 Cash

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

1.6 Leases

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

Association as a lessee

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

Right-of-use assets

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

	2022	2021
Right of use asset	Term of lease	Term of lease

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

NOTE 1 Summary of Significant Accounting Policies (continued)

1.7 Financial instruments

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

1.8 Financial assets

Contract assets and receivables

A contract asset is recognised when the Association right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the organisation's future performance or some other condition.

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e., only the passage of time is required before payment of the consideration is due).

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

Initial recognition and measurement

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

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

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

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

This assessment is referred to as the SPPI test and is performed at an instrument level.

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

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

Subsequent measurement

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

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

Financial assets at fair value through other comprehensive income

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

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

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

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

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

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

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

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

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

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

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

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

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

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

Impairment

Expected credit losses

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

Trade receivables

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

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

Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the [reporting unit] recognises an allowance for expected credit losses using the general approach.

ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

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

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

1.9 Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

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

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

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

Financial liabilities at amortised cost

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

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

Derecognition

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

1.10 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Association transfers the related goods or services. Contract liabilities include deferred income.

Contract liabilities are recognised as revenue when the Association performs under the contract (i.e., transfers control of the related goods or services to the customer).

1.11 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

1.12 Plant and Equipment

Asset Recognition Threshold

Purchases of plant and equipment are recognised initially at cost in the Statement of Financial Position. The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

NOTE 1 Summary of Significant Accounting Policies (continued)

Depreciation rates applying to each class of depreciable asset are based on the following depreciation rates:

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

Derecognition

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

1.13 Intangible assets

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The amortisation rates of intangible assets are:

	Amortisation rates	Amortisation basis
Intangible assets	25%	Straight line

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal.

Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.14 Impairment for non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Association were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.15 Taxation

The Australian Higher Education Industrial Association is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except; where the amount of GST incurred is not recoverable from the Australian Taxation Office; and for receivables and payables.

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

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

NOTE 1 Summary of Significant Accounting Policies (continued)

1.16 Current and non-current classification

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

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

1.17 Critical accounting judgements, estimates and assumptions

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

Estimation of useful lives of assets

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

Employee benefits provision

As discussed in note 1.4, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been taken into account.

1.18 Recovery of wages

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

1.19 Acquisition of assets or liabilities

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

- an amalgamation under Part 2 of Chapter 3, of the RO Act in which the organisation (of which the reporting unit form part) was the amalgamated organisation; or
- a restructure of the branches of the organization; or
- a determination by the General Manager under sub-section 245(1) of the RO Act of an alternative reporting structure for the organization; or
- a revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under sub-section 245(1).

NOTE 1 Summary of Significant Accounting Policies (continued)

1.20 Business combinations

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

1.21 Transactions with another reporting unit

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

1.22 Going concern assumption

The carrying amounts of the Association's assets and liabilities in this financial report are based on the continuing operation of the Association in accordance with its Rules. The Executive Committee has chosen to adopt the going concern assumption to underpin the carrying amounts in this report on the basis of strong net cash inflows from operations, positive budgeted results and financial management skills available. The Association's ability to continue as a going concern is not reliant on financial support of another reporting unit.

1.23 Financial support to another reporting unit

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

1.24 New accounting standards

Future Australian Accounting Standards Requirements Accounting Standards

The Association does not expect any material impact on the accounting policies, operations, financial position, or cash flows arising from the application of accounting standards issued but not yet operative.

NOTE 2 Events after the reporting period

There has not been any matter or circumstances occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of Australian Higher Education Industrial Association, the results of those operations, or the state of affairs of the Association in subsequent financial years.

NOTE 3 Revenue from ordinary activities

	2022 $	2021 $
Revenue from contracts with customers:		
Membership subscriptions	2,387,888	2,334,565
Total revenue from contracts with customers	**2,387,888**	**2,334,565**
Other Revenue		
Interest received	5,151	2,173
Investment income	89,983	98,941
Conference and sponsorship income	62,089	70,496
Service fees	97,017	209,722
Sundry revenue	70,164	54,323
Total other revenue	**324,404**	**435,655**
Total revenue from ordinary activities	**2,712,292**	**2,770,220**

NOTE 4 Expenses

Note 4A: Employee expenses

	2022 $	2021 $
Holders of office:		
Wages and salaries	-	-
Superannuation	-	-
Leave and other entitlements	-	-
Separation and redundancies	-	-
Other employee expenses	-	-
Employees other than office holders:		
Wages and salaries	2,028,854	1,540,875
Superannuation	185,342	182,614
Leave and other entitlements	(255,708)	53,147
Separation and redundancies	-	-
Other employee expenses	-	-
Total employee expenses	**1,958,488**	**1,776,636**

Note 4B: Legal costs

	2022 $	2021 $
Litigation	-	-
Other legal matters	-	21,602
Total legal costs	**-**	**21,602**

	2022 $	2021 $

NOTE 4 Expenses

Note 4C: Administration expenses

	2022 $	2021 $
Equipment hire	-	-
Subscription fees	1,532	806
Office services and supplies	12,788	14,462
Bank charges	5,781	4,910
Consultant fees	8,742	28,250
Other operating expenses	9,477	4,986
Capitation fees	-	-
Affiliation fees	-	-
Grants or donations	-	-
Consideration to employers for payroll deductions	-	-
Penalties - via RO Act or RO Regulations	-	-
Compulsory levies	-	-
Total administration expense	**38,320**	**53,414**

Note 4D: Finance costs

	2022 $	2021 $
Interest-Right of Use Liability	26,424	29,569
Total Interest-Right of Use Liability	**26,424**	**29,569**

NOTE 5 Current Assets

Note 5A: Cash and Cash Equivalents

	2022 $	2021 $
Cash at bank	878,976	1,009,152
Cash on hand	200	200
Short term deposits	-	-
Total Cash and Cash Equivalents	**879,176**	**1,009,352**

	2022 $	2021 $
Litigation	-	-
Other legal matters	-	21,602
Total legal costs	**-**	**21,602**

NOTE 5 Current Assets

Note 5B: Trade and Other Receivables

	2022 $	2021 $
Trade receivables	2,356,115	184,949
Receivables from other reporting units	-	-
Less provision for doubtful debts	-	-
Total receivables	**2,365,115**	**184,949**
Other receivables		
GST (payable)/receivable from the ATO	-	4,673
Other receivables	3,953	3,953
Total Other receivables	**3,953**	**8,626**
Total Trade and Other Receivables (net)	**2,360,068**	**193,575**

The average credit period is 30 days (2021: 30 days). No interest is charged on outstanding amounts

Note 5C: Other Current Assets

	2022 $	2021 $
Prepayments	46,369	59,674
Accrued income	-	-
Total other current assets	**46,369**	**59,674**

Note 5D: Financial Assets

	2022 $	2021 $
Financial assets designated at fair value through other comprehensive income		
Managed investment portfolio	2,778,364	2,997,147
Financial assets at fair value through profit or loss		
Term deposits*	565,000	565,000
Total Financial Assets	**3,343,364**	**3,562,147**

*The Association has in place a bank guarantee with the National Australia Bank for the current lease at Level 6, 303 Collins Street, Melbourne. This bank guarantee of $112,444 (2021: $112,444) is secured by one of the term deposits.

NOTE 6 Non-current Assets

Note 6A: Plant and equipment

	2022 $	2021 $
Plant and Equipment at cost	471,389	435,393
Less accumulated depreciation	(395,115)	(354,312)
Total plant and equipment	**76,274**	**81,079**
ROU Asset at cost	1,099,890	1,099,890
Less accumulated depreciation	(735,804)	(617,722)
Total ROU Asset	**364,086**	**482,168**
Total plant and equipment	**440,360**	**563,247**
Reconciliation of carrying amounts of plant and equipment		
Balance at the beginning of the year	563,247	719,587
Additions	35,998	2,140
Disposals	-	-
Depreciation	(158,885)	(158,480)
Carrying amount at end of the year	440,360	563,247

Note 6B: Intangible assets

	2022 $	2021 $
At cost	142,894	100,694
Less accumulated amortisation	(107,329)	(100,694)
Total intangible assets	**35,565**	**-**
Reconciliation of carrying amounts of intangible assets		
Balance at the beginning of the year	-	1,294
Additions	42,200	-
Disposals	-	-
Amortisation	(6,635)	(1,294)
Carrying amount at end of the year	35,565	-

NOTE 7 Liabilities

Note 7A: Trade and other payables

	2022 $	2021 $
Trade creditors	31,772	73,207
Subtotal trade creditors	31,772	73,207
Payables to other reporting units	-	-
Subtotal payables to other reporting units	-	-
Total trade payables	**31,772**	**73,207**
Other payables:		
Accrued expenses	10,649	17,999
Superannuation and PAYG payable	65,692	94,330
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs:		
• Litigation	-	-
• Other legal costs	-	-
Lease liability	400,339	504,569
Other payables	242,459	28,414
Total other payables	**719,139**	**645,312**
Total trade and other payables	**750,911**	**718,519**
Total payables are expected to be settled in:		
No more than 12 months	466,810	318,180
More than 12 months	284,101	400,339
Total payables	**750,911**	**718,519**

The average credit period is 30 days (2021: 30 days). No interest is charged on outstanding amounts

Note 7B: Other liabilities

	2022 $	2021 $
Member subscription in advance	2,305,673	168,811
Total other liabilities	**2,305,673**	**168,811**

	2022 $	2021 $
NOTE 8 Provisions		
Note 8A: Employee Provisions		
Office holders:		
Annual leave	-	-
Long service leave	-	-
Separations and redundancies	-	-
Other expenses	-	-
Employees other than office holders:		
Annual leave	123,921	245,166
Long service leave	199,010	333,474
Separations and redundancies	-	-
Other expenses	-	-
Total employee provisions	**322,931**	**578,640**
Current	322,219	557,190
Non-current	712	21,450
Total employee provisions	**322,931**	**578,640**
NOTE 9 Equity		
Note 9A: Reserves		
Reserve for Legal Services		
Balance as at start of year	475,000	475,000
Transferred to/(from) reserve	-	-
Balance as at end of year	**475,000**	**475,000**
Reserve for Major Contingency		
Balance as at start of year	250,000	250,000
Transferred to/(from) reserve	-	-
Balance as at end of year	**250,000**	**250,000**
Total reserves	**725,000**	**725,000**

(a) Reserve for Legal Services
The legal services reserve was established in prior years to record amounts set aside to ensure that any unexpected legal costs of a material nature can be paid

(b) Reserve for Major Contingency
The major contingency reserve was established in prior years to record amounts set aside to ensure that any unexpected costs of a material nature can be paid

	2022 $	2021 $
NOTE 8 Equity		
Note 9B: Accumulated Surplus		
Accumulated surplus at the beginning of the financial year	3,055,240	2,782,910
Surplus for the year	112,128	272,330
Accumulated surplus at the end of the financial year	**3,167,368**	**3,055,240**
Note 9C: Investment Revaluation Reserve		
Balance at the beginning of the financial year	141,785	(52,726)
Gain / (Loss) on equity instruments designated at FVTOCI	(308,766)	194,511
Accumulated surplus at the end of the financial year	**(166,981)**	**141,785**
NOTE 10 Cash Flow		
Note 10A: Cash Flow Reconciliation		
Cash and cash equivalents as per:		
Cash flow statement	879,176	1,009,352
Balance sheet	879,176	1,009,352
Difference	**-**	**-**
Reconciliation of result to net cash from operating activities:		
Surplus from ordinary activities	112,128	272,330
Adjustments for non-cash items:		
Depreciation and amortisation	165,520	159,774
Income Reinvested - Financial Assets	(89,983)	(98,941)
Changes in assets and liabilities:		
Depreciation and amortisation		
(Increase) / Decrease in receivables	(2,166,493)	(90,618)
Decrease in other assets	13,305	72,097
(Decrease) / Increase in payables	2,273,484	(104,216)
Increase in employee provisions	(255,708)	53,147
Net cash provided by operating activities	**52,253**	**263,573**

NOTE 10 Cash Flow

Note 10B: Cash flow information

	2022 $	2021 $
Cash inflows		
Australian Higher Education Industrial Association	2,592,678	2,711,395
Total cash inflows	**2,592,678**	**2,711,395**
Cash outflows		
Australian Higher Education Industrial Association	2,540,425	2,447,822
Total cash outflows	**2,540,425**	**2,447,822**

NOTE 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments

The Association has no commitments as at 31 December 2022. (2021: nil)

Note 11B: Contingencies

The Association had no contingent assets or liabilities as at 31 December 2022 (2021: nil).

NOTE 12 Related Party Disclosures

Note 12A: Related Party Transactions for the Reporting Period

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

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

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

	2022 $	2021 $
Short-term employee benefits Post-employment benefits	540,270	261,530
Termination benefits	-	-
Short-term employee benefits Post-employment benefits	131,742	-
	671,012	**261,530**

NOTE 13 Remuneration of Auditors

	2022 $	2021 $
Value of the services provided		
Financial statement audit services	13,150	12,200
Other Services	1,850	1,850
Total remuneration of auditors	**15,000**	**14,050**

NOTE 14 Financial Instruments

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

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

The Association’s principal financial instruments comprise cash and short-term deposits, fair value through profit or loss assets and accounts receivable/payable. At the end of the 2022 financial year, the Association had investments of $2,778,364 (2021: $2,997,147) in managed funds through BT Panorama Investments. These funds are managed by third parties to achieve the growth targets set by the Committee of Management, which evaluates the performance of its portfolio based on reports received from the external financial advisor.

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

NOTE 14 Financial Instruments

Financial assets	Note	Category	2022 $	2021 $
Cash and cash equivalents	5A	Financial assets measured at amortised cost	879,176	1,009,352
Term Deposits	5D	Financial assets measured at amortised cost	565,000	565,000
Trade Receivables	5B	Financial assets measured at amortised cost	2,356,115	184,949
Managed Investment Portfolio	5D	Financial assets measured at Fair value through other comprehensive income	2,778,364	2,997,147
Financial liabilities				
Trade Payables	7A	Financial liabilities measured at amortised cost	31,772	73,207

NOTE 14 Financial Instruments (continued)

Note 14B: Net Income & Expense from Financial Assets

	2022 $	2021 $
Cash and cash equivalents		
Interest revenue	1,019	698
Net gain on cash and cash equivalents	**1,019**	**698**
Term deposits		
Interest revenue	4,132	1,475
Net gain on term deposits	**4,132**	**1,475**
Equity investments		
Investment income	89,983	98,941
Net gain on equity investments	**89,983**	**98,941**
Equity investments designated as fair value through other comprehensive income		
(Loss) / gain in value of equity investments	(308,766)	194,511
Net (loss) / gain on equity investments	**(308,766)**	**194,511**
Net (loss) / gain from financial assets	**(213,632)**	**295,625**

Note 14C: Fair Value of Financial Instruments

	Carrying amount 2022 $	Fair value 2022 $	Carrying amount 2021 $	Fair value 2021 $
Financial Assets				
Cash and cash equivalents	879,176	879,176	1,009,352	1,009,352
Trade receivables	2,356,115	2,356,115	184,949	184,949
Investments – term deposits	565,000	565,000	565,000	565,000
Investments - FVTOCI	2,778,364	2,778,364	2,997,147	2,997,147
Total	**6,578,655**	**6,578,655**	**4,756,448**	**4,756,448**

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

NOTE 14 Financial Instruments (continued)

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

Fair value measurements categorised by fair value hierarchy:

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

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

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

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

Fair value hierarchy for financial assets

	Level 1		Level 2		Level 3	
	2022	2021	2022	2021	2022	2021
Managed investment portfolio	2,778,364	2,997,147				
Total	**2,778,364**	**2,997,147**				

Note 14D: Credit Risk

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

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

The credit risk on liquid funds is limited because the counter parties are recognized banking institutions. Trade receivables are concentrated in Australia. The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements.

Note 14E: Liquidity Risk

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

Note 14F: Market Risk

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

NOTE 14 Financial Instruments (continued)

Note 14F: Market Risk (continued)

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

Interest rate risk

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

	Floating Interest Rate		Non-Interest Bearing		Total	
	2022 $	2021 $	2022 $	2021 $	2022 $	2021 $
Financial Assets:						
Cash	878,976	1,009,152	200	200	879,176	1,009,352
Term deposits	565,000	565,000	-	-	565,000	565,000
Investment – fair value through OCI	2,778,364	2,997,147	-	-	2,778,364	2,997,147
Trade and other receivables	-	-	2,365,115	184,949	2,365,115	184,949
Total Financial Assets	**4,222,340**	**4,571,299**	**2,365,315**	**185,149**	**6,587,655**	**4,756,448**
Financial Liabilities:						
Trade and other payables	-	-	31,772	73,207	31,772	73,207
Total Financial Liabilities	**-**	**-**	**31,772**	**73,207**	**31,772**	**73,207**

Price risk

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

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

2022		Interest rate risk				Other price risk			
		(1%) Net result	(1%) Equity	(1%) Net result	(1%) Equity	(1%) Net result	(1%) Equity	(1%) Net result	(1%) Equity
Cash and cash equivalents	878,976	(8,790)	(8,790)	8,790	8,790	-	-	-	-
Other financial assets	2,778,364	-	-	-	-	(138,918)	(138,918)	138,918	138,918
Total	**3,657,340**	**(8,790)**	**(8,790)**	**8,790**	**8,790**	**(138,918)**	**(138,918)**	**138,918**	**138,918**

NOTE 14 Financial Instruments (continued)

Note 14F: Market Risk (continued)

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

NOTE 15 Information to be provided to members of the registrar

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

Information to be provided to members or Commissioner:

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

NOTE 16 Association Details

The principal place of business of the Association is:
Australian Higher Education Industrial Association
Level 6
303 Collins Street
Melbourne Victoria 3000

MANNER OF RESIGNATION

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

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

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

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

Level 6, 303 Collins Street
Melbourne, Victoria 3000

Email: aheia@aheia.edu.au
Website: www.aheia.edu.au