Fair Work Commission

28 June 2023

Erin Aulich
Branch Secretary
Australian Education Union - Victorian Branch
Sent via email: Erin.Aulich@aeuvic.asn.au
cc: stephen@eddypartners.com.au

Dear Erin Aulich

Australian Education Union – Victorian Branch
Financial Report for the year ended 31 December 2022 – FR2022/271

I acknowledge receipt of the financial report for the year ended 31 December 2022 for the Australian Education Union – Victorian Branch. The documents were lodged with the Fair Work Commission (the Commission) on 20 June 2023.

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

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

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

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 *Fair Work (Registered Organisations) Act 2009* (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, please contact me on (03) 8650 0182 or by email at mihiri.jayawardane@fwc.gov.au.

Yours sincerely

Mihiri Jayawardane
Fair Work Commission

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

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

Certificate by prescribed designated officer

Certificate for the year ended 31 December 2022

I Erin Aulich being the Branch Secretary of the Australian Education Union Victorian Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Education Union Victorian Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and

- that the full report was provided to members of the reporting unit on 18 May 2023; and

- that the full report was presented to a meeting of the committee of management of the reporting unit on 13 June 2023 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: E Aulich

Name of prescribed designated officer: Erin Aulich

Title of prescribed designated officer: Branch Secretary, Australian Education Union Victorian Branch

Dated: 20 June 2023

AUSTRALIAN EDUCATION UNION

VICTORIAN BRANCH

AND CONTROLLED ENTITY

ABN: 44 673 398 674

Financial Report For The Year Ended 31 December 2022

AEU Victoria
126 Trenerry Crescent, Abbotsford VIC 3067

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

Financial Report For The Year Ended 31 December 2022

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AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

OPERATING REPORT

Review of principal activities and results of operations

The AEU is a professional and industrial organisation, registered under the *Fair Work (Registered Organisations) Act 2009*, representing teachers and other education workers in public early childhood education centres, schools, TAFE institutes, AMES and disability centres across Victoria. The AEU is a democratic, federated structure with the Victorian Branch based in Abbotsford, Melbourne.

The primary objective of the AEU is to represent the professional and industrial interests of its members and to promote and defend Victoria's high quality public education system. We do this by enacting strategies and campaigns which enhance the working conditions, living standards and professional rights of members and the learning environment of students attending early childhood education centres, public schools, TAFE institutes, AMES and disability centres.

The AEU is a democratic, membership-focused organisation, always aiming to act in the best interests of members and the public education system. The union at all levels operates on principles of effective, transparent governance and strong leadership, providing an effective voice for the education profession in Victoria.

Whilst the principal activities of the AEU Victorian Branch during the 2022 financial year had a particular focus on the federal election in May and the state election in November, there was also significant COVID-19 pandemic follow-on work due to its impact on the education sector.

We continued to focus on the achievement of the following strategic objectives:

1. Politically effective and a strong advocate for public education, unionism and a leader in the development of the public education sector.
2. Growing and striving to achieve a membership of 100% of the entire public education industry workforce.
3. Successful in delivering high quality and relevant services to the members.
4. Facilitating an empowered workforce that is engaged in the union and active.
5. Effective and sustainable through sound management, strong processes, appropriate use of technology and with a diverse workforce that is respected, recognised, resourced and with a team focus.

The principal activities of the AEU Victorian Branch during the financial year have focussed on the achievement of these strategic objectives.

The major activities of the AEU during the period were focused on campaigning for public education in all our sectors, early childhood, schools, and TAFE and adult provision, in the lead up to the two elections. Elections are a critical point to influence governments and those that seek election, to understand the needs of public education and to lobby for the resources needed. There was also significant work responding to the ongoing impact of the COVID-19 pandemic on public education and supporting our members to navigate this impact, including staff illness, staff shortages, and health and wellbeing of students and staff.

AEU members have stepped up in 2022 across every sector despite the residual impact of the pandemic, which affected workloads, and leave arrangements for many members, thus reducing opportunities to 'recharge'. However, the dedication, resourcefulness, and capacity to adapt has continued to be extraordinary. If there is one upside to what has been an enormously challenging time, it's that AEU members have demonstrated to government and the wider community what we already knew – that educators are among the country's most valuable and essential workers, and that our work is highly skilled, incredibly complex and (as parents now know) all too often exhausting.

Much of what has been exposed in recent years adds evidence and impetus to our industrial and political campaigns.

The levels of disadvantage in public education are well known and have been starkly visible for many years. The pandemic highlighted the gross inequity that exists between public and private education in this country.

The inadequate level of funding for the public education sector continues to be a key driver of the AEU advocacy and campaign work.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

The Federal election in May 2022, focused all our sectors on the resources required to ensure all students in early childhood, schools, and TAFE and disability have access to a high-quality education.

In Early Childhood, the call was for ongoing funding for Universal Access to two years of preschool delivered by a qualified teacher. The *Preschool Funding Now* campaign was previously instrumental in securing an ongoing commitment to the provision of four-year-old preschool education from the Morrison government in the 2021 federal budget, providing the sector with funding certainty rather than a year by year scenario that had been the case for almost ten years.

We continued to campaign under the banner of *Preschool Funding Now*, for the introduction of federal funding for preschool education for all three-year-olds, to ensure universal access for all children to two years of early childhood education, which the Andrews government in Victoria has committed to and is currently implementing.

The AEU also continued to work with the Thrive by Five campaign which brings together a broad range of community organisations and unions working together to achieve the objective of ensuring that early childhood education and care is on the national political agenda and the agenda of every state and territory government in Australia.

The AEU federal *Every School Every Child* campaign was the key focus of our work in the school sector. The central tenet of this campaign is that every school should be provided the resources to ensure every child gets the best education, regardless of their background or circumstances. The policy priorities of the campaign were to ensure all public schools are resourced to a minimum of 100% of the Schooling Resource Standard (SRS); removing the twenty per cent federal funding cap on the SRS; establishing a capital fund for public schools to upgrade schools, classrooms, and facilities; and providing more support for students with disability through the provision of additional funding.

The AEU federal *Rebuild with TAFE* campaign was the key focus of campaign work in the TAFE sector. Every Australian has the right to access high quality vocational education delivered by TAFE as TAFE is the best way to provide this education to large numbers of Australians, given its strong links with industry and wraparound services to give students the extra support they may need. The *Rebuild with TAFE* campaign in the federal election was critical given that TAFE had suffered from the coalition government's funding cuts, and contestable funding policy settings that have led to an increasingly privatised sector that undermines the quality of vocational education.

The policy priorities of the campaign were to guarantee a minimum of 70% of total government funding to the public TAFE system; restore funding and rebuild the system; re-invest in the TAFE teaching workforce; and develop a capital investment strategy for TAFE.

The AEU targeted the campaign in Victoria in two key marginal electorates, Chisholm and Corangamite. The campaign activities included 'hosting' mobile billboard visits at TAFEs and schools, to highlight the need for additional funding, as well as highlighting that Scott Morrison had gone missing when it comes to public education, and that he needed to go. Local members rallied during these visits, with a focus on getting messages out to the community through social media, and with local media within the electorates. Members also participated in circulating campaign messages through social media platforms, handing out election material about public education at train stations, leafletting in target electorates, street stalls, and handing out 'how to vote' cards at pre-poll and on election day, all of which was supported by radio and widespread social media advertising.

AEU member driven campaign activities were also very successfully run via the work of local campaign hubs, particularly in key electorates. In the lead up to the election, these hubs brought together AEU members from a range of workplaces across all sectors, focused on local issues and targeting local candidates. These hubs allowed members to make connections, support each other and target their campaign activities around local issues, and to seek commitments from candidates. Members across the state were encouraged to join in campaign activities, focused on public education, as well as working alongside union members in activities co-ordinated by the Victorian Trades Hall, as part of the ACTU's election campaigning activities.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

In the schools sector, our campaign efforts secured a broad commitment from the Labor party to work with the states/territories, to ensure every Australian public school is on a clear path to reach 100% of the Schooling Resource Standard, however this came without a concrete timeline. There was also a commitment for a $240 million Schools Upgrade Fund with $188 million for new buildings, upgrades and refurbishments for public schools in 2023, and $50 million available this year for all schools to upgrade and improve ventilation and air quality. The ALP has also promised a $200 million Student Wellbeing Boost to fund more school counsellors and psychologists, and extra funding for camps, excursions, as well as sporting and social activities.

The Albanese government also committed within the first month of being elected, to ending the compulsory religious aspect of the Chaplaincy Program and opening up the program to qualified student welfare officers.

The work of everyone involved in the campaign to *Rebuild with TAFE* delivered some optimism. The sustained campaigning led to federal Labor committing to a number of the AEU key asks, most important being a commitment to ending the privatisation by stealth of vocational education and ensuring that at least 70% of all vocational education funding is for public TAFE. There was pledge for a $1.2 billion Future Made in Australia Skills Plan to focus on closing the gap on key areas of skills shortages by providing 465,000 fee-free TAFE places, including 45,000 new places; $100 million in New Energy Apprenticeships to encourage and support 10,000 apprentices to train in new energy jobs and provide the additional support they need to complete their training; and a $50 million TAFE Technology Fund to improve IT facilities, workshops, laboratories and telehealth simulators across the country.

The election of the Albanese Labor government in May 2022, with their commitment to see TAFE at the centre of the vocational education system, with 70% of government funding directed to TAFE, has shifted our campaign focus to ensuring they follow up these commitments, as well as address other outstanding issues, such as infrastructure and support for the workforce.

National TAFE Day was celebrated on 6 September 2022 with a reception at parliament in Canberra, with union members and supporters celebrating the new government's changed agenda, and most importantly the achievements of TAFE, alongside an address by the new Minister for Skills and Training, Brendan O'Connor. This was the first time in many years that we had been able to celebrate in person due to the impact of the pandemic, and we were able to achieve significant reach in terms of media and social media, highlighting the valuable and essential work of teachers in TAFE.

In the Disability sector, the entwined arrangements with the NDIS and our disability members pay and conditions and workplace arrangements have seen an erosion of conditions in this sector. The move by the new Federal government to bring the NDIS into the Cabinet and to commission a review have been welcome first steps.

In early childhood education and care (ECEC), neither of the two major parties committed to federal funding of two years of early childhood education. Federal Labor made a broad commitment to lift wages of early childhood staff; and ensuring this occurs will be a key part of our ongoing campaign work to increase investment at the federal level in ECEC.

The State election in November was another opportunity to call for improvements for public education, including increased investment by the state government in a range of areas.

The AEU Victorian Branch's campaigning activities were in part informed by research conducted by our external media advisors, Essential, with AEU members and the broader community, to understand the key issues in all our sectors. The AEU also conducted a number of surveys throughout the year with members, to both inform the campaigning, and to utilise in highlighting the concerns of the sector.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

The AEU hosted fifteen election forums in key marginal seats, including Ashwood, Ringwood, Frankston, Carrum, Cranbourne, Narre Warren North, Melton, Sunbury, Bentleigh, Geelong, Ballarat, Bendigo, Broadmeadows, Inner City, and Doncaster. Local candidates from key parties were invited, and a panel of AEU members from all sectors outlined the key issues facing them in their early childhood, school, and TAFE settings. Candidates were then given the opportunity to respond to the member contributions and outline the key commitments their parties were taking to the election.

Again, our local campaign hubs were active, and the local candidate election forums were driven by hub members.

Addressing workforce in all our sectors was a vital part of the AEU's campaigning in the lead up to the state election in November 2022. The workforce shortages had become increasingly apparent throughout the year across all sectors which could not just be explained as a result of the COVID-19 pandemic and a bad flu season. With the expansion of kindergarten programs, and fee-free TAFE, alongside student growth particularly in the school sector, there were increased difficulties in finding the qualified staff needed. This highlighted the need for the state government to act boldly and invest in strategies to ensure a strong supply of public education staff, for the short and longer term.

As part of our state election campaign, the AEU Victorian Branch developed and launched the AEU's Ten Year Plan for Staffing in Public Education, calling on the Victorian Government and political parties contesting the election, to implement a range of immediate, short and long term measures, to attract and retain public education staff.

We called for action including a retention payment to acknowledge the significant work of the staff currently in the system, similar to what was put in place for health staff during the worst of the pandemic. In addition, we called for them to create incentives and support for pre-service teachers, provide more support for new entrants into the profession including mentoring, ongoing measures to address workload, the allocation of additional support staff, permanently employed CRT staff, along with incentives to support staff to move into and stay in regional and rural areas.

In the early childhood sector, with the state already beginning the roll out of two years of preschool education, measures to address the workforce and infrastructure required to deliver the program were key. The AEU was pleased to see the Andrews government commit during the election campaign to make the two years of preschool education free for families from the start of 2023, provide 30 hours of play based learning for four-year-olds by 2032, and open 50 government owned childcare centres, amounting to a $9 billion investment in the sector.

In the school sector, in addition to addressing workforce issues, the main campaign focus was on school funding. In 2022 Victorian public-school students were funded at $1991 less than the Schooling Resource Standard (SRS), 10% less than the standard set by the federal government. Our campaign efforts did result in a commitment from the Andrews government to lift their commitment to 75% of the SRS and to advocate to the federal government to lift their current 20% cap to 25%.

Ensuring public schools are funded to 100% is the key to addressing unsustainable workloads, supporting students with additional needs and having the capacity to address workforce shortages.

In the TAFE sector, the Andrews government made commitments to further expand the number of fee-free TAFE courses and extended eligibility to free TAFE to those that have a higher qualification. However our call to ensure TAFEs would be funded to the actual cost of course delivery remains to be addressed.

Throughout 2022, negotiations for industrial agreements that serve our members were also at the centre of AEU activity.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

The new two major enterprise agreements for the Early Childhood sector which were finalised in 2021 – Early Education Employees Agreement (EEEA) 2020 for the local government sector, and Victorian Early Childhood Teachers and Educators Agreement (VECTEA) 2020 for the community sector – resulted in significant work to see their implementation to ensure our members were benefiting from the significant improvements to conditions and to ensure the pay parity with school teachers was achieved. Given these agreements set the benchmark for the rest of the early childhood sector, further negotiations with smaller providers also followed throughout the year, with a number finalised with similar if not identical conditions to the benchmark agreements.

The negotiations for a new Victorian Government Schools Agreement (VGSA) continued during January and February 2022. An in-principle agreement (VGSA 2022) was reached in early February, and was ultimately approved by the Fair Work Commission (FWC) in mid-July, coming into effect from 25 July. A significant focus for the school sector in 2022 was to work with members to explain the terms of the new agreement, ratify the agreement and then move to implementation of the VGSA 2022 once the FWC had determined its approval.

The new VGSA included a significant number of new entitlements that focused on addressing workload, which was a key component of the log of claims, developed after extensive consultation with the AEU membership.

Key wins for AEU members included the first reduction to face to face teaching in more than 30 years: a one hour reduction in 2023, moving to 1.5 hours in 2024, and a funded commitment to employ an additional 2,000 teachers; the continuation of Professional Practice days (PPDs); the quarantining of time for teacher directed work; measures to address administrative burdens for principals associated with OHS and investigation processes; the expansion of time in lieu arrangements for teachers for structured school activities, building on those already in place for ES staff; and a significant revision of the ES dimensions of work to better reflect and value their work.

Expanded parental leave provisions, paid ceremonial and cultural leave for First Nations members, the provision of laptops for ES staff, along with an increase to the CRT rates and the development of a CRT handbook, were also secured. Salary increases included an upfront structural adjustment which varied across classifications, two one percent increases per year, and a one percent position allowance per year paid to the majority of employees. The lowest paid ES members received significant salary increases through a classification restructure.

These wins were only secured due to the active campaigning of AEU members to highlight the issues and put pressure on the state government to deliver.

In the TAFE sector, negotiations for the next MEA for standalone TAFE's formally commenced mid-year, after a log of claims was developed through member meetings at TAFE campuses in the first part of 2022. The negotiations, which have continued into 2023 are focused on addressing workload, secure employment, salaries, cuts to course delivery hours and excessive administration duties. In the lead up to the state election in November, the AEU successfully negotiated a 2% administrative salary adjustment with employers, alongside a commitment for the parties to continue negotiating in good faith to achieve an agreement.

Negotiations with individual disability employers for new agreements occurred in 2022. A number of these negotiations stalled, resulting in disputes, however AEU members were successful in forcing employers back to the negotiation table. Separate to this, negotiations for a single interest agreement with a number of employers and other unions, commenced, however these negotiations are ongoing. Negotiations in the disability sector are hampered by the significant underfunding of the sector and the complicated and inadequate NDIS arrangements, which often result in conditions of work and entitlements being undermined.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

Throughout 2022, the AEU Victorian Branch has worked with AEU Federal and AEU Branches and members, to improve the professional status of teaching and other education workers in all sectors. We have campaigned for these objectives through advocacy and support for high standards of entry to, and rigorous courses of, Initial Teacher Education, professional standards for school teachers and principals, professional autonomy for teachers, the introduction of professional teaching qualifications for TAFE teachers as well as for further recognition through improved remuneration, enhanced career structures and addressing workload for teachers and education workers generally.

The AEU has also successfully enhanced and supported the professional status of AEU members in public education through professional development and training and conferences, with a continuation of some online or hybrid arrangements due to the impact of COVID-19. This has continued to enable some members who are unable to participate face to face, to still be actively involved in these sessions. We also support members in their workplaces, with individual support on a range of industrial and professional matters. We have also had representation of members on professional bodies and to employers; and made submissions and appearances before both state and federal inquiries.

Submissions made by the AEU in 2022

The AEU made no submissions in 2022.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch**.**

Right of members to resign

All members have a right to resign in accordance with rule 17 of the Union's Federal Office Registered Rules and section 174(1) of the *Fair Work (Registered Organisations) Act 2009*.

The policy of the Victorian Branch is detailed below:

1. A notice of resignation from membership takes effect:-
   (a) where the member ceases to be eligible to become a member of the Union -
      (i) on the day on which the notice is received at the office of the Branch Secretary; or
      (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;

   whichever is later; or
   (b) in any other case -
      (i) at the end of 2 weeks after the notice is received at the office of the Branch Secretary; or
      (ii) on the day specified in the notice;

   whichever is later.
2. Where a member's resignation from the Union is received but not processed at the time, no disadvantage will be applied when the resignation is processed.
3. The Branch Executive is authorised to vary this policy in exceptional circumstances and upon written request.
4. This policy is available on the AEU website.

It is imperative that the Union receives formal notification of member resignations.

OPERATING REPORT (Continued)

Branch Executive members for 2022 and period positions held during the year

The Branch Executive is the Committee of Management of the AEU Victorian Branch. The name of each person who has been a member of the AEU Victorian Branch Executive at any time during the financial year is as follows:

NAME	
AULICH Erin	
BURTON Tanya	
DERRICK Lee-Ann	From 1/01/2022
D'ORTENZIO Marino	
EDWARDS Krystyna	Resigned 14/02/2022
FEWKES Rebekah	
FISCHER Debra	
GILLESPIE Elaine	
HARRIS Justin	
HOLLEY Seir	
HUMPHRIES Ann (Jessie)	
KOLBER Jemina	
MARTIN Keith	From 1/01/2022
MASIERO Antoinette	From 1/01/2022
MULLALY Justin	
NIGHTINGALE Cara	
PACE Michael	
PEACE Meredith	
PONTIKIS Mary-Anne	
RATJE Heidi	
RIGONI Anthony	From 1/01/2022
SMITH Wayne	From 1/01/2022 to 31/12/2022 (Term of office ended)
STOKES Briley	
TENSON Katrina	
WRIGHT Shane	From 1/01/2022

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

OPERATING REPORT (Continued)

Officers & employees who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee

The following members of our Branch Council are trustees of a superannuation entity or an exempt public sector superannuation scheme:
Dean Glare
Angela Stringer

Both are directors of the Emergency Services Superannuation Board (Victoria).

The following members are directors of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme:

Antoinette Masiero is a director of the Aware Super Board - VicSuper division.

Number of members

The number of persons who, at the end of the financial year, were recorded in the register of members and who are taken to be members of the Branch was 45,255 (financial and unfinancial).

Number of employees

The numbers of persons who were, at the end of the financial year, employees of the Branch including both full time and part time employees measured on a full time basis was 92.3.

Signature of designated officer E Aulich

Name and title of designated officer: Erin Aulich, Branch Secretary

Dated: 15/5/2023

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 31 December 2022

On 15 May 2023 the AEU Victorian Branch Executive of the Australian Education Union Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2022:

The AEU Victorian Branch Executive declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

- (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
- (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
- (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
- (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
- (v) where information has been sought in any request by a member of the reporting unit or the General Manager duly made under section 272 of the RO Act, that information has been provided to the member or the General Manager; and
- (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer E Aulich

Name and title of designated officer: Erin Aulich, Branch Secretary

Dated: 15/5/23

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2022

		Consolidated		Parent	
		2022	2021	**2022**	2021
	Notes	**$**	$	**$**	$
Revenue from contracts with customers					
Membership subscription		**25,163,278**	25,939,618	**25,163,268**	25,939,607
Capitation fees		**-**	-	**-**	-
Levies	3A	**1,078,343**	1,090,557	**1,078,343**	1,090,557
Total revenue from contracts with customers	3	**26,241,621**	27,030,175	**26,241,611**	27,030,164
Income for furthering objectives					
Grants and donations	3B	**226,667**	259,127	**-**	-
Total income for furthering objectives		**226,667**	259,127	**-**	-
Other Income					
Interest	3C	**109,761**	55,651	**109,761**	55,651
Rental revenue	3D	**635,000**	550,255	**635,000**	550,255
Other revenue	3E	**438,666**	227,176	**460,560**	225,479
Total other income		**1,183,427**	833,082	**1,205,321**	831,385
Total income		**27,651,715**	28,122,384	**27,446,932**	27,861,549
Expenses					
Employee expenses	4A	**16,151,093**	15,230,196	**15,968,201**	15,060,218
Capitation fees	4B	**2,554,933**	2,509,787	**2,554,933**	2,509,787
Affiliation fees	4C	**363,633**	253,141	**363,633**	253,141
Administration expenses	4D	**4,598,280**	4,243,111	**4,596,993**	4,239,807
Grants and donations	4E	**184,069**	112,500	**184,069**	112,500
Depreciation and amortisation	4F	**1,283,848**	1,203,462	**1,283,848**	1,203,462
Finance costs	4G	**149,471**	170,092	**149,471**	170,092
Legal costs	4H	**880,614**	990,079	**880,614**	990,079
Training expenses		**27,558**	41,463	**-**	-
Audit fees	14	**22,550**	14,950	**18,600**	11,000
Total expenses		**26,216,049**	24,768,781	**26,000,362**	24,550,086
Profit for the year before tax		**1,435,666**	3,353,603	**1,446,570**	3,311,463
Income tax expenses		**-**	-	**-**	-
Profit for the year		**1,435,666**	3,353,603	**1,446,570**	3,311,463
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**1,435,666**	3,353,603	**1,446,570**	3,311,463

STATEMENT OF FINANCIAL POSITION

as at 31 December 2022

	Notes	Consolidated		Parent	
		2022 $	2021 $	2022 $	2021 $
ASSETS					
Current assets					
Cash and cash equivalents	5A	**10,708,326**	11,758,776	**10,662,273**	11,720,177
Trade and other receivables	5B	**1,453,787**	1,460,217	**1,378,843**	1,385,417
Other current assets	5C	**1,519,684**	1,220,004	**1,519,542**	1,218,014
Inventories	5D	**89,907**	79,837	**89,907**	79,837
Total current assets		**13,771,704**	14,518,834	**13,650,565**	14,403,445
Non-current assets					
Land and buildings	6A	**17,384,799**	17,641,293	**17,384,799**	17,641,293
Plant and equipment	6B	**972,673**	933,318	**972,673**	933,318
Right-of-use assets	6C	**986,066**	309,333	**986,066**	309,333
Investment property	6D	**8,562,661**	8,688,994	**8,562,661**	8,688,994
Intangibles	6E	**142,902**	242,425	**142,902**	242,425
Total non-current assets		**28,049,101**	27,815,363	**28,049,101**	27,815,363
Total assets		**41,820,805**	42,334,197	**41,699,666**	42,218,808
LIABILITIES					
Current liabilities					
Trade payables	7A	**494,283**	439,202	**492,415**	437,182
Other payables	7B	**585,579**	326,377	**575,710**	318,307
Borrowings	7C	**84,951**	136,066	**84,951**	136,066
Right-of-use liabilities	7D	**408,259**	230,533	**408,259**	230,533
Employee provisions	8A	**1,563,905**	1,425,905	**1,532,537**	1,409,544
Total current liabilities		**3,136,977**	2,558,083	**3,093,872**	2,531,632
Non-current liabilities					
Employee provisions	8A	**2,263,264**	2,100,712	**2,263,264**	2,100,712
Borrowings	9A	**1,340,396**	4,456,654	**1,340,396**	4,456,654
Right-of-use liabilities	7D	**516,161**	90,407	**516,161**	90,407
Total non-current liabilities		**4,119,821**	6,647,773	**4,119,821**	6,647,773
Total liabilities		**7,256,798**	9,205,856	**7,213,693**	9,179,405
Net assets		**34,564,007**	33,128,341	**34,485,973**	33,039,403
MEMBERS' FUNDS					
Retained profits	10A	**34,564,007**	33,128,341	**34,485,973**	33,039,403
Total members' funds		**34,564,007**	33,128,341	**34,485,973**	33,039,403

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2022

Consolidated	Retained earnings	Total equity
	$	$
Balance as at 1 January 2021	29,774,738	29,774,738
Profit for the year	3,353,603	3,353,603
Closing balance at 31 December 2021	33,128,341	33,128,341
Profit for the year	**1,435,666**	**1,435,666**
Closing balance at 31 December 2022	**34,564,007**	**34,564,007**

Parent	Retained earnings	Total equity
	$	$
Balance as at 1 January 2021	29,727,940	29,727,940
Profit for the year	3,311,463	3,311,463
Closing balance at 31 December 2021	33,039,403	33,039,403
Profit for the year	**1,446,570**	**1,446,570**
Closing balance at 31 December 2022	**34,485,973**	**34,485,973**

CASHFLOW STATEMENT

for the year ended 31 December 2022

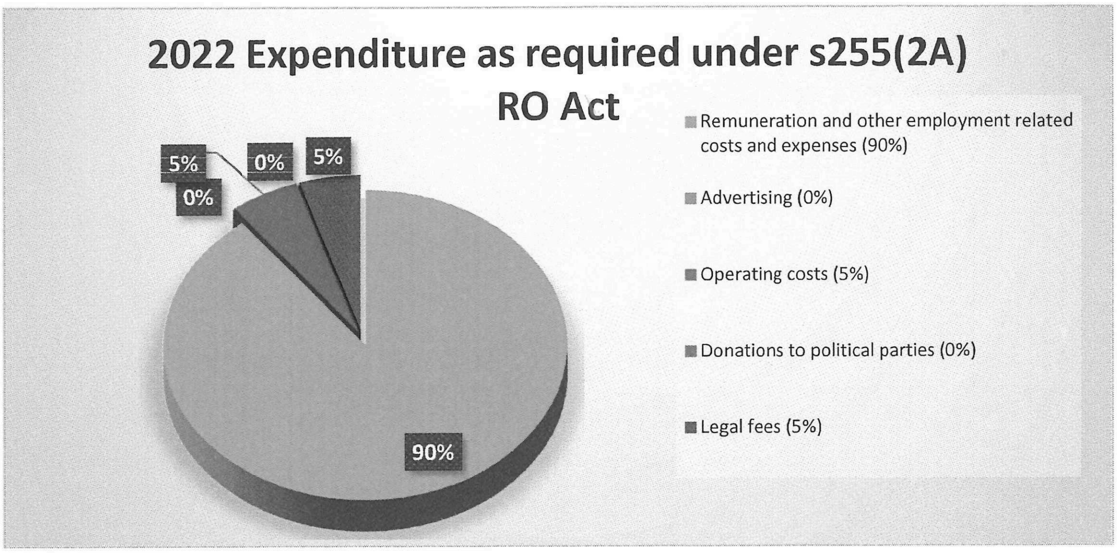
		Consolidated		Parent	
		2022	2021	**2022**	2021
	Notes	**$**	$	**$**	$
OPERATING ACTIVITIES					
Cash received					
Interest		**53,851**	76,643	**53,851**	76,643
Membership receipts		**29,031,959**	29,457,076	**29,031,949**	29,457,064
Rental receipts		**757,123**	683,978	**757,123**	683,978
Receipts from other reporting units / controlled entity(s)	11C	**19,851**	-	**76,545**	54,631
Grant received		**249,334**	210,240	**-**	-
Other		**418,354**	263,409	**390,822**	213,722
Cash used					
Employee costs		**(15,687,938)**	(14,944,445)	**(15,520,053)**	(14,790,828)
Suppliers		**(8,637,752)**	(8,933,301)	**(8,592,909)**	(8,867,608)
Income tax (paid)		**-**	(5,868)	**-**	-
Interest paid		**(149,472)**	(170,092)	**(149,472)**	(170,092)
Payment to other reporting units/controlled entity(s)	11C	**(3,024,281)**	(2,969,303)	**(3,024,281)**	(2,969,303)
Net cash from operating activities	11B	**3,031,029**	3,668,337	**3,023,575**	3,688,207
INVESTING ACTIVITIES					
Cash used					
Purchase of intangibles		**(42,410)**	(84,730)	**(42,410)**	(84,730)
Purchase of property, plant and equipment		**(1,475,176)**	(443,418)	**(1,475,176)**	(443,418)
Net cash (used by) investing activities		**(1,517,586)**	(528,148)	**(1,517,586)**	(528,148)
FINANCING ACTIVITIES					
Cash used					
Repayment of bank loan		**(3,167,373)**	(1,472,169)	**(3,167,373)**	(1,472,169)
Lease liabilities - new		**1,107,930**	-	**1,107,930**	-
Repayment of lease liabilities		**(504,450)**	(436,854)	**(504,450)**	(436,854)
Repayment of borrowings		**-**	-	**-**	(5,868)
Net cash (used by) financing activities		**(2,563,893)**	(1,909,023)	**(2,563,893)**	(1,914,891)
Net (decrease) increase in cash held		**(1,050,450)**	1,231,166	**(1,057,904)**	1,245,168
Cash & cash equivalents at the beginning of the reporting period		**11,758,776**	10,527,610	**11,720,177**	10,475,009
Cash & cash equivalents at the end of the reporting period	11A	**10,708,326**	11,758,776	**10,662,273**	11,720,177

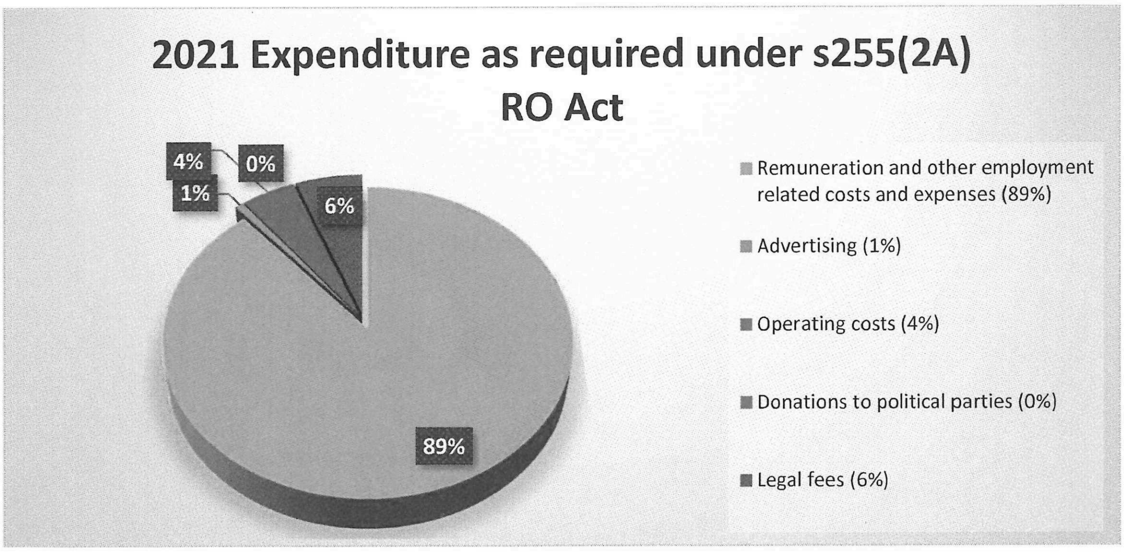
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 31 December 2022

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Reporting Unit for the year ended 31 December 2022.





Due to the specific requirements under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*, there will likely be some other costs incurred by the reporting unit which do not fall within the above categories. Accordingly the expenditure reported in this report may not represent 100% of the expenditure actually incurred by the reporting unit.

Signature of designated officer

Name and title of designated officer: Erin Aulich, Branch Secretary

Dated: 15/5/23

Index to the Notes of the Financial Statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Significant accounting judgements and estimates

There are no accounting assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.3 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements
The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2022:
• AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141].*

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Future Australian Accounting Standards Requirements

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

AASB 2022-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 1 Summary of significant accounting policies (Continued)

1.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Australian Education Union Victorian Branch and entities (including special purpose entities) controlled by the Australian Education Union Victorian Branch (its subsidiaries). Control is achieved where the Australian Education Union Victorian Branch has the power to govern the financial and operating policies of an entity.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Australian Education Union Victorian Branch and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Australian Education Union Victorian Branch.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Australian Education Union Victorian Branch ownership interests in subsidiaries that do not result in the Australian Education Union Victorian Branch losing control are accounted for as equity transactions. The carrying amounts of the Australian Education Union Victorian Branch interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Australian Education Union Victorian Branch.

When the Australian Education Union Victorian Branch loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Australian Education Union Victorian Branch had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *AASB 139 'Financial Instruments: Recognition and Measurement'* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity

Note 1 Summary of significant accounting policies (Continued)

1.5 Investment in associates and joint arrangements

An associate is an entity over which the Australian Education Union Victorian Branch has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 Non-current Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Australian Education Union Victorian Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Note 1 Summary of significant accounting policies (Continued)

1.6 Business combinations

The acquisition method of accounting is used to account for all business combinations, except for those identified in the *Fair Work Commissions reporting guidelines* under item 12. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the parent entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on acquisition date. On an acquisition-by-acquisition basis, the parent entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the parent entity's share of the net identifiable assets, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If it is determined that the combination results in mutual benefit to both the members of the acquirer and the acquiree, the surplus of the fair value of the net identifiable assets acquired over the consideration paid will be recognised in member's funds as a business combination reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

No acquisition of assets and liability as part of a business combination has occurred during the financial year.

1.7 Acquisition of assets and or liabilities that do not constitute a business combination

The Branch did not acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

Note 1 Summary of significant accounting policies (Continued)

1.8 Revenue

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

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

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the branch. If there is only one distinct membership service promised in the arrangement, the branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the branch'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 branch 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 branch charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

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

Interest income

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

Note 1 Summary of significant accounting policies (Continued)

1.8 Revenue (Continued)

Rental income

Leases in which the consolidated entity as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.9 Government grants

Government grants are not recognised until there is reasonable assurance that the consolidated entity will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the consolidated entity recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the consolidated entity should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the consolidated entity with no future related costs are recognised in profit or loss in the period in which they become receivable.

1.10 Gains

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.

1.11 Capitation fees and levies

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as the branch transfers the services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit. In circumstances where the criteria for a contract with a customer are not met, the branch will recognise levies as income upon receipt.

Note 1 Summary of significant accounting policies (Continued)

1.12 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 consolidated entity in respect of services provided by employees up to reporting date.

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

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

1.13 Leases

The consolidated entity 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.

Consolidated entity as a lessee

The consolidated entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The consolidated entity 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 consolidated entity 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. If ownership of the leased asset transfers to the consolidated entity 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.

Note 1 Summary of significant accounting policies (Continued)

1.13 Leases (Continued)

Lease liabilities

At the commencement date of the lease, the consolidated entity 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 consolidated entity and payments of penalties for terminating the lease, if the lease term reflects the [reporting unit] 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 consolidated entity uses the incremental borrowing rate if the implicit lease rate is not readily determinable. 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.

1.14 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

1.15 Cash

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

1.16 Financial instruments

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

Note 1 Summary of significant accounting policies (Continued)

1.17 Financial assets

Contract assets and receivables

A contract asset is recognised when the group's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the consolidated entity '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 consolidated entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the consolidated entity 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 consolidated entity*'s* business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Note 1 Summary of significant accounting policies (Continued)

1.17 Financial assets (Continued)

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 amortised cost

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

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

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

The consolidated entity's financial assets at amortised cost includes trade receivables and loans to related parties.

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

Upon initial recognition, the consolidated entity 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 consolidated entity 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 consolidated entity elected to classify irrevocably its listed and non-listed equity investments under this category.

Note 1 Summary of significant accounting policies (Continued)

1.17 Financial assets (Continued)

Derecognition
A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The consolidated entity 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 consolidated entity has transferred substantially all the risks and rewards of the asset, or
  b) the consolidated entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the consolidated entity 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 consolidated entity 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
(i) Trade receivables

For trade receivables that do not have a significant financing component, the consolidated entity 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 consolidated entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The consolidated entity 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.

Note 1 Summary of significant accounting policies (Continued)

1.17 Financial assets (Continued)

Impairment

(ii) 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 consolidated entity 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 consolidated entity 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 consolidated entity considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the consolidated entity may also consider a financial asset to be in default when internal or external information indicates that the consolidated entity 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.

1.18 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 consolidated entity 's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in profit or loss.

Derecognition

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

Note 1 Summary of significant accounting policies (Continued)

1.19 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 consolidated entity transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The consolidated entity 's refund liabilities arise from customers' right of return. The liability is measured at the amount the group's ultimately expects it will have to return to the customer. The consolidated entity updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.20 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.

1.21 Land and buildings

Asset recognition threshold

Purchases of land and buildings 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

Freehold land is not depreciated. Buildings are depreciated over 40 years.

Derecognition

Land and buildings are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Note 1 Summary of significant accounting policies (Continued)

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

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

	2022	2021
Plant and equipment	3 years	3 years

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 plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

1.23 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is carried at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation

Freehold land is not depreciated. Investment buildings are depreciated over 40 years.

Derecognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of comprehensive income in the period in which the property is derecognised.

Note 1 Summary of significant accounting policies (Continued)

1.24 Intangibles

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 useful life of consolidated entity intangible assets are:

	2022	2021
Intangibles	20 - 30%	20 - 30%

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 statement of comprehensive income when the asset is derecognised.

1.25 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 consolidated entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.26 Taxation

The Australian Education Union Victorian Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997. There still is an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). AEU Education Services Inc is a not-for-profit entity and is exempt from income tax.

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)

1.27 Fair value measurement

The consolidated entity measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 17A.

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

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

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

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

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

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the consolidated entity determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the consolidated entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 1 Summary of significant accounting policies (Continued)

1.28 Going Concern

The consolidated entity does not receive any financial support to continue on an ongoing basis.

The consolidated entity has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

After the reporting period, the Branch fully repaid its mortgage loan. No other matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the entity's revenue by type of arrangements is provided on the face of the Statement of Comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Type of customer				
- members	**26,241,621**	27,030,175	**26,241,611**	27,030,175
Total revenue from contracts with customers	**26,241,621**	27,030,175	**26,241,611**	27,030,175

Disaggregation of income for furthering activities

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

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Income funding sources				
- other parties	**226,667**	259,127	**-**	-
Total income for furthering activities	**226,667**	259,127	**-**	-

Note 3A: Levies

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Public Education campaign Levy	**1,078,343**	1,090,557	**1,078,343**	1,090,557
Total levies	**1,078,343**	1,090,557	**1,078,343**	1,090,557

The purpose of the levy is to provide separate funding for public education campaign purposes. The levy is set at $25 for members employed 0.6 and above and $12.50 for members employed 0.5 or below.

Note 3B: Grants and donations

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Grants – government	**226,667**	259,127	**-**	-
Total grants and donations	**226,667**	259,127	**-**	-

Note 3C: Interest

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Bank Deposits	**109,761**	55,651	**109,761**	55,651
Total interest	**109,761**	55,651	**109,761**	55,651

Note 3 Revenue and Income (Continued)

Note 3D: Rental revenue

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Properties	**635,000**	550,255	**635,000**	550,255
Total rental revenue	**635,000**	550,255	**635,000**	550,255

Note 3E: Other revenue

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Training income	**27,336**	47,395	**-**	-
Revenue from undertaking recovery of wages activity	**-**	-	**-**	-
Financial support from another reporting unit	**-**	-	**-**	-
Reimbursements received	**99,739**	79,226	**149,310**	127,092
Bequest	**3,388**	1,466	**3,388**	1,466
Legal settlements	**121,636**	-	**121,636**	-
Congestion levy refund	**109,418**	-	**109,418**	-
Reimbursement received from AEU Federal Office	**327**	-	**327**	-
Other	**76,822**	99,089	**76,481**	96,921
Total other revenue	**438,666**	227,176	**460,560**	225,479

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$
Note 4 Expenses				
Note 4A: Employee expenses				
Holders of office:				
Wages and salaries	**1,476,454**	1,451,380	**1,476,454**	1,451,380
Superannuation	**241,854**	235,588	**241,854**	235,588
Leave and other entitlements	**117,148**	92,276	**117,148**	92,276
Separation and redundancies	**-**	-	**-**	-
Other employee expenses	**135,197**	124,876	**135,197**	124,876
Subtotal employee expenses holders of office	**1,970,653**	1,904,120	**1,970,653**	1,904,120
Employees other than office holders:				
Wages and salaries	**11,146,096**	10,306,309	**11,006,148**	10,306,309
Superannuation	**1,783,663**	1,653,691	**1,760,565**	1,653,691
Leave and other entitlements	**155,942**	459,541	**140,935**	459,541
Separation and redundancies	**-**	-	**-**	-
Payments of professional subscription to AEU Federal Office	**1,919**	-	**1,919**	-
Other employee expenses	**1,092,820**	906,535	**1,087,981**	906,535
Subtotal employee expenses employees other than office holders	**14,180,440**	13,326,076	**13,997,548**	13,326,076
Total employee expenses	**16,151,093**	15,230,196	**15,968,201**	15,230,196
Note 4B: Capitation fees & Levies				
AEU Federal Office				
- Capitation fee	**1,723,094**	1,684,063	**1,723,094**	1,684,063
- Publication Levy – (A) Aust Educator	**177,399**	174,389	**177,399**	174,389
- Publication Levy – (B) TAFE Teacher	**9,200**	9,929	**9,200**	9,929
- Public Education Levy	**196,420**	197,660	**196,420**	197,660
- ACTU Subscriptions	**321,638**	317,244	**321,638**	317,244
- Education International	**127,182**	126,502	**127,182**	126,502
Total capitation fees & levies	**2,554,933**	2,509,787	**2,554,933**	2,509,787

Nature of fee & levies

Capitation Fee - Contribution to operating costs

Publication Levy (A) & (B) - Contribution to the cost of union magazine

Public Education Levy - Contribution to general campaigning issues

ACTU Subscriptions - Contribution to operating costs

Education International - Contribution to funding of overseas programs

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 4C: Affiliation fees

Campaign for International Co-operation and Disarmament	**-**	150	**-**	150
Ballarat Trades Hall Council	**3,311**	3,080	**3,311**	3,080
Bendigo Trades Hall Council	**8,725**	7,120	**8,725**	7,120
Geelong Trades Hall Council	**7,452**	7,110	**7,452**	7,110
Gippsland Trades Hall Council	**6,234**	6,234	**6,234**	6,234
Goulburn Valley Trades Hall Council	**2,400**	2,400	**2,400**	2,400
North East Trades Hall Council	**3,100**	2,884	**3,100**	2,884
South West Trades Hall Council	**2,812**	2,250	**2,812**	2,250
Sunraysia Trades Hall Council	**957**	567	**957**	567
Victorian Trades Hall Council	**328,642**	221,346	**328,642**	221,346
Total affiliation fees	**363,633**	253,141	**363,633**	253,141

Note 4D: Administration expenses

Accounting services & subscriptions	**6,617**	6,884	**6,165**	6,884
Bank fees and charges	**250,550**	233,670	**250,550**	233,670
Conferences and meeting expenses	**545,609**	234,999	**545,609**	234,999
Consideration to employers for payroll deductions	**-**	-	**-**	-
Contribution to AEU Federal Office – International Trust Fund	**181,600**	174,000	**181,600**	174,000
Fees/allowances - meeting and conferences	**-**	-	**-**	-
Information communications technology	**868,522**	963,065	**868,522**	963,065
Lease and rental costs	**70,992**	70,521	**70,992**	70,521
Loss on disposals of assets	**-**	14,201	**-**	14,201
Member Services	**69,138**	56,116	**69,138**	56,116
Member Services – campaigns	**538,687**	573,657	**538,687**	573,657
Office expenses	**38,347**	12,031	**38,347**	12,031
Others	**248,446**	187,733	**247,611**	184,429
Payments of expenses to AEU Federal Office	**3,069**	26,703	**3,069**	26,703
Penalties - via RO Act or the Fair Work Act 2009	**-**	-	**-**	-
Property expenses - leased	**79,467**	72,980	**79,467**	72,980
Property expenses - owned	**771,789**	722,872	**771,789**	722,872
Publications & members communication	**925,447**	893,679	**925,447**	893,679
Total administration expenses	**4,598,280**	4,243,111	**4,596,993**	4,239,807

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$
Note 4E: Grants and donations				
Grants:				
Total paid that were $1,000 or less	**-**	-	**-**	-
Total paid that exceeded $1,000	**100,000**	90,000	**100,000**	90,000
Donations:				
Total paid that were $1,000 or less	**52,349**	1,700	**52,349**	1,700
Total paid that exceeded $1,000	**31,720**	20,800	**31,720**	20,800
Total grants and donations	**184,069**	112,500	**184,069**	112,500
Note 4F: Depreciation and amortisation				
Depreciation				
Property, plant and equipment	**1,141,915**	902,810	**1,141,915**	902,810
Total depreciation	**1,141,915**	902,810	**1,141,915**	902,810
Amortisation				
Intangibles	**141,933**	300,652	**141,933**	300,652
Total amortisation	**141,933**	300,652	**141,933**	300,652
Total depreciation and amortisation	**1,283,848**	1,203,462	**1,283,848**	1,203,462
Note 4G: Finance costs				
Mortgage Loan	**107,627**	152,831	**107,627**	152,831
Lease interest – right-of-use assets	**41,844**	17,261	**41,844**	17,261
Total finance costs	**149,471**	170,092	**149,471**	170,092
Note 4H: Legal costs				
Litigation	**850,276**	948,705	**850,276**	948,705
Other legal matters	**30,218**	40,913	**30,218**	40,913
Payments of legal subscription to AEU Federal Office	**120**	461	**120**	461
Total legal costs	**880,614**	990,079	**880,614**	990,079

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 5 Current assets

Note 5A: Cash and cash equivalents

Cash at bank	**1,596,738**	1,899,681	**1,550,685**	1,861,082
Cash on hand	**-**	51	**-**	51
Short term deposits	**9,111,588**	9,859,044	**9,111,588**	9,859,044
Total cash and cash equivalents	**10,708,326**	11,758,776	**10,662,273**	11,720,177

Note 5B: Trade and other receivables

Receivables from other reporting unit				
AEU Federal Office	**1,359**	-	**1,359**	-
Less allowance for expected credit losses	**-**	-	**-**	-
Receivable from other reporting unit	**1,359**	-	**1,359**	-
Other receivables:				
Other receivables	**1,452,428**	1,460,217	**1,377,484**	1,385,417
Total other receivables	**1,452,428**	1,460,217	**1,377,484**	1,385,417
Total trade and other receivables (net)	**1,453,787**	1,460,217	**1,378,843**	1,385,417

Note 5C: Other current assets

Prepayments	**1,519,684**	1,220,004	**1,519,542**	1,218,014
Total other current assets	**1,519,684**	1,220,004	**1,519,542**	1,218,014

Note 5D: Inventory

Inventory	**89,907**	79,837	**89,907**	79,837

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 6 Non-current assets

Note 6A: Land and buildings

Land and buildings:				
At cost	**17,897,788**	17,897,788	**17,897,788**	17,897,788
Accumulated depreciation and impairment	**(512,989)**	(256,495)	**(512,989)**	(256,495)
Total land and buildings	**17,384,799**	17,641,293	**17,384,799**	17,641,293

Reconciliation of the opening and closing balances of land and buildings

Net book value 1 January	**17,641,293**	17,897,788	**17,641,293**	17,897,788
Depreciation	**(256,494)**	(256,495)	**(256,494)**	(256,495)
Net book value 31 December	**17,384,799**	17,641,293	**17,384,799**	17,641,293

The property at 126 Trenerry Crescent Abbotsford is split in this financial report between land and buildings for own-use component and land and buildings for investment rental income component, the combined book value being $25,947,460 as at 31st December 2022. The property is not required by Accounting Standards to be revalued to market value. The property as a whole was appraised as at 31st December 2021 at between $30 million and $32 million by licensed estate agent Mr David Bourke of Fitzroys Pty Ltd. No material change has occurred in that appraisal to the date of this financial report.

The land and building (including the Investment Property) is used as security for a bank loan of the AEU-Victorian Branch amounting to $1.4 million (2021: $4.6 million).

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 6 Non-current assets (Continued)

Note 6B: Plant and equipment

Plant and equipment:				
at cost	**1,760,594**	1,393,347	**1,760,594**	1,393,347
accumulated depreciation	**(787,921)**	(460,029)	**(787,921)**	(460,029)
Total plant and equipment	**972,673**	933,318	**972,673**	933,318

Reconciliation of the opening and closing balances of plant and equipment

Net book value 1 January	**933,318**	599,510	**933,318**	599,510
Additions	**367,247**	443,419	**367,247**	443,419
Disposals	**-**	(14,201)	**-**	(14,201)
Depreciation expense	**(327,892)**	(95,410)	**(327,892)**	(95,410)
Net book value 31 December	**972,673**	933,318	**972,673**	933,318

Note 6C: Right-of-use assets

Right-of-use assets:				
at cost	**2,300,242**	1,570,944	**2,300,242**	1,570,944
accumulated depreciation	**(1,314,176)**	(1,261,611)	**(1,314,176)**	(1,261,611)
Total right-of-use assets	**986,066**	309,333	**986,066**	309,333

Reconciliation of the opening and closing balances of right-of-use assets

Net book value 1 January	**309,333**	632,541	**309,333**	632,541
Net Additions	**1,107,929**	101,364	**1,107,929**	101,364
Depreciation expense	**(431,196)**	(424,572)	**(431,196)**	(424,572)
Net book value 31 December	**986,066**	309,333	**986,066**	309,333

Right-of-use assets consist of:

Offices	**105,638**	154,347	**105,638**	154,347
Equipment	**73,378**	44,369	**73,378**	44,369
Motor vehicles	**807,050**	110,617	**807,050**	110,617
	986,066	309,333	**986,066**	309,333

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$
Note 6D: Investment property				
Investment property:				
at cost	**8,815,327**	8,815,327	**8,815,327**	8,815,327
accumulated depreciation	**(252,666)**	(126,333)	**(252,666)**	(126,333)
Total plant and equipment	**8,562,661**	8,688,994	**8,562,661**	8,688,994
Opening balance as at 1 January	**8,688,994**	8,815,327	**8,688,994**	8,815,327
Depreciation	**(126,333)**	(126,333)	**(126,333)**	(126,333)
Closing balance as at 31 December	**8,562,661**	8,688,994	**8,562,661**	8,688,994

The Branch occupies 67% of the office space at 126 Trenerry Crescent Abbotsford VIC with 33% (2021: 33%) available for tenancy. As a result, 33% of the value of 126 Trenerry Crescent is classified as an investment property.

Amounts recognised in statement of comprehensive income for investment properties				
Rental income	**635,000**	550,255	**635,000**	550,255
Direct operating expenses from property that generated rental income	**381,023**	364,881	**381,023**	364,881
Direct operating expenses from property that did not generate rental income	**-**	-	**-**	-

Note 6E: Intangibles

Membership / leave systems				
At cost	**2,722,343**	2,679,933	**2,722,343**	2,679,933
Accumulated amortisation	**(2,579,441)**	(2,437,508)	**(2,579,441)**	(2,437,508)
Total intangibles	**142,902**	242,425	**142,902**	242,425

Reconciliation of the opening and closing balances of intangibles

Net book value 1 January	**242,425**	458,347	**242,425**	458,347
Additions	**42,410**	84,730	**42,410**	84,730
Amortisation	**(141,933)**	(300,652)	**(141,933)**	(300,652)
Net book value 31 December	**142,902**	242,425	**142,902**	242,425

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 7 Current liabilities

Note 7A: Trade payables

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Trade creditors and accruals	**441,003**	405,747	**439,135**	403,727
Legal costs – litigation	**53,280**	33,455	**53,380**	33,455
Legal costs – other matters	**-**	-	**-**	-
Subtotal trade creditors	**494,283**	439,202	**492,415**	437,182
Payables to other reporting unit	**-**	-	**-**	-
	-	-	**-**	-
Total trade payables	**494,283**	439,202	**492,415**	437,182

Note 7B: Other payables

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Consideration to employers for payroll deductions	**-**	-	**-**	-
Prepayments received/unearned revenue	**177,589**	58,625	**177,589**	58,625
GST payable	**123,479**	140,683	**117,860**	135,565
Other	**284,511**	127,069	**280,261**	124,117
Total other payables	**585,579**	326,377	**575,710**	318,307
Total other payables are expected to be settled in:				
No more than 12 months	**585,579**	326,377	**575,710**	318,307
More than 12 months	**-**	-	**-**	-
Total other payables	**585,579**	326,377	**575,710**	318,307

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 7 Current liabilities (Continued)

Note 7B: Other payables (Continued)

Contract balances

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
The following table provides information about receivables and contract liabilities from contracts with customers				
Membership receivables	**779,979**	812,085	**779,979**	812,085
Membership fees received in advance	**177,589**	58,625	**177,589**	58,625
Membership fees in advance represent advance consideration received from customers for which revenue is recognised in accordance with the satisfaction of performance obligations.				
Significant changes in contract balances during the period are as follows:				
Revenue recognised that would include in the prepayments received/unearned revenue balances at beginning of period.	**58,625**	214,182	**58,625**	214,182
Increase due to cash received, excluding amounts recognised as revenue during the period	**(177,589)**	(58,625)	**(177,589)**	(58,625)

Note 7C: Borrowings

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Bank mortgage loan	**84,951**	136,066	**84,951**	136,066
Total borrowings	**84,951**	136,066	**84,951**	136,066

Note 7D: Right-of-use liabilities

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Current	**408,259**	230,533	**408,259**	230,533
Non-current	**516,161**	90,407	**516,161**	90,407
Total right-of-use liabilities	**924,420**	320,940	**924,420**	320,940

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 7 Current liabilities (Continued)

Note 7D: Lease liabilities (Continued)

The movement of the carrying amounts of the lease liabilities associated with the right of use assets:

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
As at 1 January	**320,940**	656,429	**320,940**	656,429
Addition	**1,107,929**	101,364	**1,107,929**	101,364
Interest	**41,844**	17,261	**41,844**	17,261
Payments	**(546,293)**	(454,114)	**(546,293)**	(454,114)
As at 31 December	**924,420**	320,940	**924,420**	320,940

Note 8 Provisions

Note 8A: Employee provisions

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Office Holders:				
Annual leave	**308,037**	248,755	**308,037**	248,755
Long service leave	**331,289**	273,423	**331,289**	273,423
Separations and redundancies	**-**	-	**-**	-
Other	**-**	-	**-**	-
Subtotal employee provisions - office holders	**639,326**	522,178	**639,326**	522,178
Employees other than office holders:				
Annual leave	**1,247,783**	1,173,363	**1,224,500**	1,160,789
Long service leave	**1,940,060**	1,831,076	**1,931,975**	1,827,289
Separations and redundancies	**-**	-	**-**	-
Other	**-**	-	**-**	-
Subtotal employee provisions - employees other than office holders	**3,187,843**	3,004,439	**3,156,475**	2,988,078
Total employee provisions	**3,827,169**	3,526,617	**3,795,801**	3,510,256
Current	**1,563,905**	1,425,905	**1,532,537**	1,409,544
Non-current	**2,263,264**	2,100,712	**2,263,264**	2,100,712
Total employee provisions	**3,827,169**	3,526,617	**3,795,801**	3,510,256

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 9 Non-current liabilities

Note 9A: Borrowings

	2022	2021	**2022**	2021
Bank Mortgage Loan	**1,340,396**	4,456,654	**1,340,396**	4,456,654
Total Borrowings	**1,340,396**	4,456,654	**1,340,396**	4,456,654

Note 10 Members' Funds

Note 10A: Retained profits

	2022	2021	**2022**	2021
Retained earnings at start of year	**33,128,341**	29,774,738	**33,039,403**	29,727,940
Profit for the year	**1,435,666**	3,353,603	**1,446,570**	3,311,463
Retained earnings at end of year	**34,564,007**	33,128,341	**34,485,973**	33,039,403

Apart from those recorded in the financial statements, no specific funds or accounts have been operated as part of the Branch Fund in respect of compulsory levies or voluntary contributions. There are no transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity.

Note 11 Cash flow

Note 11A: Cash flow reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

	2022	2021	**2022**	2021
Cash and cash equivalents as per:				
Cash flow statement	**10,708,326**	11,758,776	**10,662,273**	11,720,177
Balance sheet	**10,708,326**	11,758,776	**10,662,273**	11,720,177
Difference	**-**	-	**-**	-

Note 11 Cash flow (Continued)

Note 11B: Cash flow reconciliation

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Reconciliation of profit to net cash from operating activities:				
Profit for the year	**1,435,666**	3,353,603	**1,446,570**	3,311,463
Adjustments for non-cash items				
Depreciation/amortisation	**1,283,848**	1,203,462	**1,283,848**	1,203,462
Loss on sale of fixed assets	**-**	14,201	**-**	14,201
Changes in assets/liabilities				
Decrease (Increase) in net receivables	**6,430**	(42,412)	**6,574**	32,586
(Increase) in inventories	**(10,070)**	(79,837)	**(10,070)**	(79,837)
(Increase) in prepayments	**(299,679)**	(764,918)	**(301,528)**	(764,776)
Increase (Decrease) in supplier payables	**195,318**	(432,854)	**193,672**	(435,491)
Increase (Decrease) in other payables	**118,964**	(155,557)	**118,964**	(155,557)
Increase in employee provisions	**300,552**	578,517	**285,545**	562,156
(Decrease) in tax provisions	**-**	(5,868)	**-**	-
Net cash from operating activities	**3,031,029**	3,668,337	**3,023,575**	3,668,207

Note 11C: Cash flow information

Cash flows to/from another reporting unit and/or controlled entity

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Cash inflows - operating				
AEU Federal Office	**19,851**	-	**19,851**	-
AEU Education Services Inc	**-**	-	**56,694**	54,631
Total cash inflows	**19,851**	-	**76,545**	54,631
Cash outflows - operating				
*AEU Federal Office***	**2,824,521**	2,777,903	**2,824,521**	2,777,903
AEU Federal Office – International Trust Fund	**199,760**	191,400	**199,760**	191,400
Total cash outflows	**3,024,281**	2,969,303	**3,024,281**	2,969,303

** capitation fee, levy and campaign contribution

Note 12 Contingent liabilities, assets and commitments

Note 12A: Commitments and contingencies

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$
Operating lease commitments - as lessor				
Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2022 are as follows:				
Within one year	**493,415**	478,759	**493,415**	478,759
After one year but not more than five years	**1,619,796**	2,068,053	**1,619,796**	2,068,053
After five years	**-**	45,158	**-**	45,158
	2,113,211	2,591,970	**2,113,211**	2,591,970

Capital commitments

At 31 December 2022 the entity has no significant capital commitments.

Other contingent assets or liabilities

Funding of Members legal fees

As part of its services provided to members the AEU – Victorian Branch funds certain legal cases on behalf of its members. Funding is approved in advance on a case by case basis. As the exact amount of related legal costs are unknown as at the year end, they are expensed when they are actually paid. The total amount of funding approved but not yet paid for as at 31 December 2022 is approximately $2.24M.

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 13 Related party disclosures

Note 13A: Related party transactions for the reporting period

Subsidiaries

The group's principal subsidiaries at 31 December 2022 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Principal activities	Group equity holding 2022	Group equity holding 2021
AEU Education Services Incorporated	Australia	Training	100%	100%

AEU Education Services Incorporated is an incorporated association (by definition has no share capital) which is controlled by the Branch as the Branch has practical influence it can exert on the appointment of members of the Incorporated Association.

The following table provides the total amount of transactions that have been entered into with related parties for the year.

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Revenue received:				
AEU Education Services Incorporated – Salary Reimbursement	**-**	-	**49,570**	47,866
Teacher Learning Network – Rent	**2,040**	1,020	**2,040**	1,020
Expenses paid:				
Teacher Learning Network – Grant	**100,000**	90,000	**100,000**	90,000
Teacher Learning Network – Conference Expenses	**3,482**	7,275	**3,482**	7,275

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$

Note 13 Related party disclosures (Continued)

Note 13B: Key management personnel remuneration for the reporting period

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Short-term employee benefits				
Salary (including annual leave taken)	**1,341,853**	1,311,091	**1,341,853**	1,311,091
Annual leave accrued	**193,883**	186,601	**193,883**	186,601
Other	**135,197**	124,876	**135,197**	124,876
Total short-term employee benefits	**1,670,933**	1,622,568	**1,670,933**	1,622,568
Post-employment benefits:				
Superannuation	**241,854**	235,588	**241,854**	235,588
Total post-employment benefits	**241,854**	235,588	**241,854**	235,588
Other long-term benefits:				
Long-service leave	**57,866**	45,964	**57,866**	45,964
Total other long-term benefits	**57,866**	45,964	**57,866**	45,964
Termination benefits	**-**	-	**-**	-
Total	**1,970,653**	1,904,120	**1,970,653**	1,904,120

Note 13C: Transactions with key management personnel and their close family members

	Consolidated 2022 $	Consolidated 2021 $	Parent 2022 $	Parent 2021 $
Loans to/from key management personnel	**-**	-	**-**	-
Other transactions with key management personnel	**-**	-	**-**	-

Note 13D: Former related party

There were no payments made to a former related party of the reporting unit.

Note 13E: Financial affairs

There is not another entity that administers the financial affairs of the reporting unit.

Note 14 Remuneration of auditors

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$
Value of the services provided				
Current auditor				
Financial statement audit services	**18,200**	19,000	**18,200**	19,000
Other auditors				
Financial statement audit services	**3,950**	3,950	**-**	-
Overprovision from prior years	**-**	(8,000)	**-**	(8,000)
Audit of VEC return	**400**	-	**400**	-
Total remuneration of auditors	**22,550**	14,950	**18,600**	11,000

Note 15 Financial instruments

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and ageing analysis for credit risk.

Risk management is carried out by management under policies approved by Committee of Management. The Committee of Management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

Note 15A: Categories of financial instruments

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$
Financial assets				
Cash and cash equivalents	**10,708,326**	11,758,776	**10,662,273**	11,720,177
Trade and other receivables	**1,453,787**	1,460,217	**1,378,843**	1,385,417
Total	**12,162,113**	13,218,993	**12,041,116**	13,105,594
Carrying amount of financial assets	**12,162,113**	13,218,993	**12,041,116**	13,105,594
Financial liabilities				
Trade and other payables	**1,079,862**	765,579	**1,068,125**	755,489
Borrowings	**2,349,767**	4,913,660	**2,349,767**	4,913,660
Total	**3,429,629**	5,679,239	**3,417,892**	5,669,149
Carrying amount of financial liabilities	**3,429,629**	5,679,239	**3,417,892**	5,669,149

Note 15 Financial instruments (Continued)

Note 15B: Credit risk

Credit risk is the risk of financial loss to the Union if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Union's receivables from members and investment securities.

The group has no significant concentration of credit risk with any single courter party or group of counter parties. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5B. There is no collateral held by the group securing trade and other receivables. The group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the group. The trade receivables balance at 31 December 2022 and 31 December 2021 do not include any counter parties with external credit ratings.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved Union policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

Note 15C: Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. The group does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect the Committee of Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

Contractual maturities for financial liabilities 2022 - Consolidated

	On Demand	**< 1 year**	**1– 2 years**	**2– 5 years**	**>5 years**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Trade and other payables	**1,079,862**	**-**	**-**	**-**	**-**	**1,079,862**
Borrowings	**-**	**493,210**	**1,760,715**	**95,842**	**-**	**2,349,767**
Total	**1,079,862**	**493,210**	**1,760,715**	**95,842**	**-**	**3,429,629**

Maturities for financial liabilities 2021 - Consolidated

	On demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	765,579	-	-	-	-	765,579
Borrowings	-	366,599	90,407	-	4,456,654	4,913,660
Total	765,579	366,599	90,407	-	4,456,654	5,679,239

Note 15 Financial instruments (Continued)

Note 15C: Liquidity risk (Continued)

Contractual maturities for financial liabilities 2022 - Parent

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	**1,068,125**	**-**	**-**	**-**	**-**	**1,068,125**
Borrowings	**-**	**493,210**	**1,760,715**	**95,842**	**-**	**2,349,767**
Total	**1,068,125**	**493,210**	**1,760,715**	**95,842**	**-**	**3,417,892**

Maturities for financial liabilities 2021 - Parent

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	755,489	-	-	-	-	755,489
Borrowings	-	366,599	90,407	-	4,456,654	4,913,660
Total	755,489	366,599	90,407	-	4,456,654	5,669,149

Note 15D: Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cashflows or the fair value of fixed rate financial instruments. The financial instruments that expose the Group to interest rate risk are limited to borrowings, cash and cash equivalents.

Sensitivity analysis of the risk that the entity is exposed to for 2022

	Change in risk variable	Effect on	
		Profit & loss	Equity
	%	$	$
Financial Assets			
Interest rate risk	+2	+214,167	+214,167
Interest rate risk	-2	214,167	214,167
Financial Liabilities			
Interest rate risk	+1	-23,498	-23,498
Interest rate risk	-1	+23,498	+23,498

Note 15 Financial instruments (Continued)

Note 15D: Market risk (Continued)

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

	Change in risk variable	Effect on	
		Profit & loss	Equity
Financial Assets	%	$	$
Interest rate risk	+2	+235,174	+235,174
Interest rate risk	-2	235,174	235,174
Financial Liabilities			
Interest rate risk	+1	-49,136	-49,136
Interest rate risk	-1	+49,136	+49,136

	Consolidated		Parent	
	2022	2021	**2022**	2021
	$	$	**$**	$
Note 15E: Asset pledged/or held as collateral				
Assets pledged as collateral				
Financial assets pledged as collateral:				
Freehold Land & Buildings	**25,947,460**	26,330,287	**25,947,460**	26,330,287
Total assets pledged as collateral	**25,947,460**	26,330,287	**25,947,460**	26,330,287

The bank loan is secured by a first registered mortgage over freehold properties owned by the parent entity. Covenants imposed by the bank require that debt not to exceed 70% of the valuation of the properties.

Note 16 Fair value measurement

Note 16A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments. The fair value measurement of non-financial assets has been determined on the highest and best use of that asset. The management of the reporting unit have assessed that as the reporting unit currently uses the non-financial assets in their highest and best use, the fair value of those non-financial assets would approximate their carrying amounts.

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2022 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2022 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

Consolidated	**Carrying amount 2022 $**	**Fair value 2022 $**	Carrying amount 2021 $	Fair value 2021 $
Financial Assets				
Cash & cash equivalents	**10,708,326**	**10,708,326**	11,758,776	11,758,776
Trade & other receivables	**1,453,787**	**1,453,787**	1,460,217	1,460,217
Total	**12,162,113**	**12,162,113**	13,218,993	13,218,993
Non-financial Assets				
Land & buildings	**25,947,460**	**25,947,460**	26,330,287	26,330,287
Plant & equipment	**1,958,739**	**1,958,739**	1,242,651	1,242,651
Other non-current Assets	**142,902**	**142,902**	242,425	242,425
Total	**28,049,101**	**28,049,101**	27,815,363	27,815,363
Financial Liabilities				
Trade & other payables	**1,079,862**	**1,079,862**	765,579	765,579
Lease liabilities	**924,420**	**924,420**	320,940	320,940
Bank Mortgage Loan	**1,425,347**	**1,425,347**	4,592,720	4,592,720
Total	**3,429,629**	**3,429,629**	5,679,239	5,679,239

Note 16 Fair value measurement (Continued)

Note 16A: Financial assets and liabilities (Continued)

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

	Carrying amount 2022	**Fair value 2022**	Carrying amount 2021	Fair value 2021
Parent	**$**	**$**	$	$
Financial Assets				
Cash & cash equivalents	**10,662,273**	**10,662,273**	11,720,177	11,720,177
Trade & other receivables	**1,378,843**	**1,378,843**	1,385,417	1,385,417
Total	**12,041,116**	**12,041,116**	13,105,594	13,105,594
Non-financial Assets				
Land & buildings	**25,947,460**	**25,947,460**	26,330,287	26,330,287
Plant & equipment	**1,958,739**	**1,958,739**	1,242,651	1,242,651
Other non-current assets	**142,902**	**142,902**	242,425	242,425
Total	**28,049,101**	**28,049,101**	27,815,363	27,815,363
Financial Liabilities				
Trade & other payables	**1,068,125**	**1,068,125**	755,489	755,489
Lease liabilities	**924,420**	**924,420**	320,940	320,940
Bank Mortgage Loan	**1,425,347**	**1,425,347**	4,592,720	4,592,720
Total	**3,417,892**	**3,417,892**	5,669,149	5,669,149

Note 16 Fair value measurement (Continued)

Note 16B: Fair value hierarchy

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

Fair value hierarchy - Consolidated 31 December 2022

	Level 1	Level 2	Level 3
Assets measured at fair value	**$**	**$**	**$**
Cash & cash equivalents	**10,708,326**	**-**	**-**
Trade & other receivables	**1,453,787**	**-**	**-**
Total	**12,162,113**	**-**	**-**
Non-financial Assets			
Land & buildings	**-**	**25,947,460**	**-**
Plant & equipment	**-**	**1,958,739**	**-**
Other non-current assets	**-**	**142,902**	**-**
Total	**-**	**28,049,101**	**-**
Liabilities measured at fair value			
Trade & other payables	**1,079,862**	**-**	**-**
Lease liabilities	**924,420**	**-**	**-**
Bank Mortgage Loan	**1,425,347**	**-**	**-**
Total	**3,429,629**	**-**	**-**

Fair value hierarchy - Consolidated 31 December 2021

	Level 1	Level 2	Level 3
Assets measured at fair value	**$**	**$**	**$**
Cash & cash equivalents	11,758,776	-	-
Trade & other receivables	1,460,217	-	-
Total	13,218,993	-	-
Non-financial Assets measured at fair value			
Land & buildings	-	26,330,287	-
Plant & equipment	-	1,242,651	-
Other non-current assets	-	242,425	-
Total	-	27,815,363	-
Liabilities measured at fair value			
Trade & other payables	1,079,862	-	-
Lease liabilities	924,420	-	-
Bank Mortgage Loan	1,425,347	-	-
Total	3,429,629	-	-

Note 16 Fair value measurement (Continued)

Note 16B: Fair value hierarchy (Continued)

Fair value hierarchy – Parent 31 December 2022	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value	**$**	**$**	**$**
Cash & cash equivalents	**10,662,273**	**-**	**-**
Trade & other receivables	**1,378,843**	**-**	**-**
Total	**12,041,116**	**-**	**-**
Non-financial assets measured at fair value			
Land & buildings	**-**	**25,947,460**	**-**
Plant & equipment	**-**	**1,958,739**	**-**
Other non-current assets	**-**	**142,902**	**-**
Total	**-**	**28,049,101**	**-**
Liabilities measured at fair value			
Trade & other payables	**1,068,125**	**-**	**-**
Lease liabilities	**924,420**	**-**	**-**
Bank Mortgage Loan	**1,425,347**	**-**	**-**
Total	**3,417,892**	**-**	**-**

Fair value hierarchy – Parent 31 December 2021	**Level 1**	**Level 2**	**Level 3**
Assets measured at fair value	**$**	**$**	**$**
Cash & cash equivalents	11,720,177	-	-
Trade & other receivables	1,385,417	-	-
Total	13,105,594	-	-
Non-current assets measured at fair value			
Land & buildings	-	26,330,287	-
Plant & equipment	-	1,242,651	-
Other non-current assets	-	242,425	-
Total	-	27,815,363	-
			-
Liabilities measured at fair value			
Trade & other payables	755,489	-	-
Lease liability	320,940	-	-
Borrowing	4,592,720	-	-
Total	5,669,149	-	-

Note 17 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the General Manager:

(1) A member of a reporting unit, or the General Manager, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.

(2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) A reporting unit must comply with an application made under subsection (1).

EddyPartners
Accountants

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Independent Auditor's Report
to the Committee of Management and
Members of the Australian Education Union Victorian Branch
General Purpose Financial Report – Year Ended 31st December 2022

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying General Purpose Financial Report of the Australian Education Union Victorian Branch ("the Registered Organisation") including its controlled entities, such report comprising of consolidated Statement of Financial Position as at 31st December 2022, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended together with Notes to the Financial Statements, Committee of Management Statement and subsection 255(2A) report.

In our opinion, the accompanying General Purpose Financial Report presents fairly, in all material respects, the financial position of the Registered Organisation as at 31st December 2022 and its financial performance, changes in equity, and cash flows for the year ended on that date in accordance with –

(a) Australian Accounting Standards; and

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

We declare that the Committee of Management's use of the going concern basis in the preparation of the financial report of the Registered Organisation is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Partners:
David J. Eddy CPA
Stephen J. Eedy CPA
Suzanne J. Eddy CPA

Audit Independence

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

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

The Committee of Management is responsible for the other information. The other information comprises the information included in the annual report of the Registered Organisation for the year ended 31st December 2022 and includes the Operating Report. Our opinion on the financial report does not cover the other information and accordingly we do not express any opinion or any form of assurance conclusion thereon.

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

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Registered Organisation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements of the RO Act and for such internal controls as the Committee of Management determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

In preparing the financial report, the Committee of Management is responsible for assessing the ability of the Registered Organisation to continue as a going concern and disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Registered Organisation or to cease operations or have no realistic alternative but to do so. The Committee of Management is responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility 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 our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations and/or the override of internal controls.

We 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 internal controls of the Registered Organisation.

We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

We conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Registered Organisation to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial report or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However future events or conditions may cause the Registered Organisation to cease to continue as a going concern.

We evaluate the overall presentation, structure and content of the financial report including the disclosures and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Registered Organisation to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the audit of the Registered Organisation. We remain solely responsible for our audit opinion.

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

We declare that the auditor is an Approved Auditor registered under the RO Act, a member of CPA Australia, and the holder of a current Public Practising Certificate.

Eddy Partners
Accountants and Auditors
Certified Practising Accountants
Level 8, 501 Latrobe Street, Melbourne, Victoria

Stephen Eedy B.Com CPA
Registered Company Auditor – No. 165946
Registered Organisations Approved Auditor AA2017/83
Holder of a Current Public Practice Licence - CPA Australia - Membership No. 1408419

Melbourne 17th May 2023