Fair Work Commission

18 June 2024

Professor Carolyn Evans
President
Australian Higher Education Industrial Association
Sent via email: aheia@aheia.edu.au
CC: Jdelmo@mcdb.com.au

Dear Professor Evans

Australian Higher Education Industrial Association
Financial Report for the year ended 31 December 2023 – (FR2023/207)

I acknowledge receipt of the financial report for the year ended 31 December 2023 for the Australian Higher Education Industrial Association. The documents were lodged with the Fair Work Commission (the Commission) on 5 June 2024.

The financial report has now been filed.

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

Please note that the financial report for the year ending 31 December 2024 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The Commission will confirm these concerns have been addressed prior to filing next year's report.

Reference to Registered Organisations Commission's Commissioner

The Commission has been the regulator for registered organisations since 6 March 2023. All references to the Registered Organisations Commission and Commissioner must be changed to the Fair Work Commission and General Manager of the Fair Work Commission.

I note that note 24 and item 5(iv) of the committee of management statement refer to the Commissioner of the Registered Organisations instead of the General Manager of the Fair Work Commission.

Nil activities disclosures

Item 20 of the reporting guidelines states that if any of the activities identified within items 9-19 of the reporting guidelines have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. The notes and the officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except the following:

- Pay a donation that was $1,000 or less (RG 13(e)(iii));

- Pay a donation that exceeded $1,000 (RG 13(e)(iv));
- Pay wages and salaries to holders of offices (RG13(f)(i);
- Pay superannuation to holders of offices (RG13(f)(ii);
- Pay leave and other entitlements to holders of offices (RG13(f)(iii)
- Pay separation and redundancy expenses for holders of office (RG 13(f)(iv));
- Pay other employment expenses for holders of office (RG 13(e)(v));
- Pay separation and redundancy expenses for employees (other than holders of office) (RG13(g)(iv));
- Pay other employment expenses for employees (other than holders of offices) (RG 13(g)(v));
- have a separation and redundancy provision in respect of holders of office (RG15(c)(iii));
- have other employee provisions in respect of holders of office (RG15(c)(iv));
- have a separation and redundancy provision in respect of employees (other than holders of office) (RG15(d)(iii));
- have other employee provisions in respect of employees (other than holders of office) (RG15(d)(iv)).

Please ensure in future years that the above-mentioned items are disclosed in either the financial statements, the notes or in the officer's declaration statement as per the reporting guidelines.

Reporting Requirements

The Commission's website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the section 253 reporting guidelines and a model set of financial statements.

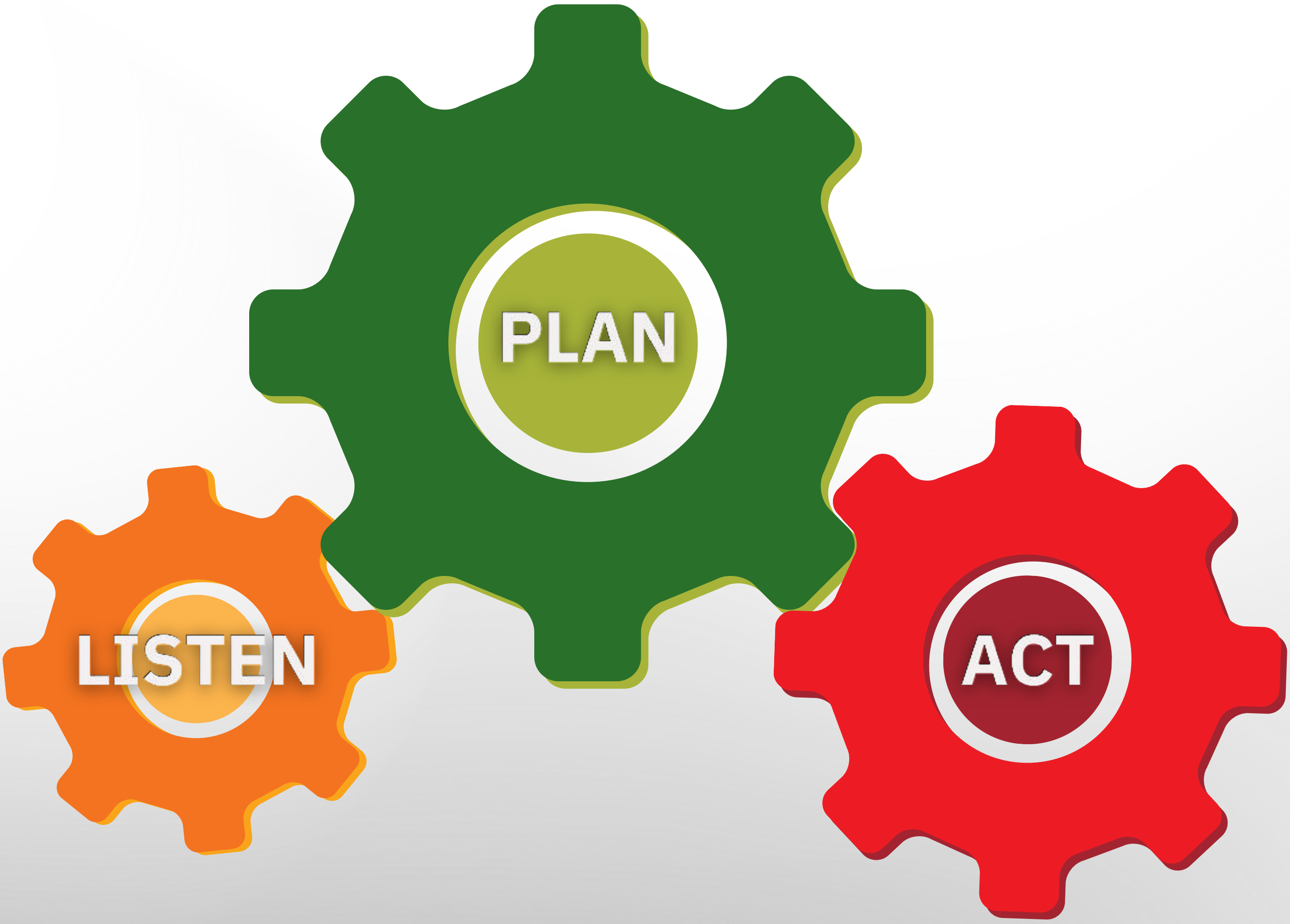
The Commission recommends that reporting units use these model financial statements to assist in complying with the RO Act, the section 253 reporting guidelines and Australian Accounting Standards. Access to this information is available via this link.

If you have any queries regarding this letter, please call 1300 341 665 or email regorgs@fwc.gov.au.

Yours sincerely

Fair Work Commission

ANNUAL REPORT



Australian Higher Education Industrial Association

2023

For the financial year ending 31 December 2023

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PRESIDENT'S MESSAGE

I am pleased to present the Australian Higher Education Industrial Association's Annual Report for 2023.

The year has been characterised by impacts of consecutive increases in interest rates, high inflation and pressures on the cost of living. All of these have fed into a busy time for universities operations, particularly with enterprise bargaining.

The year under review has seen a strengthening of the Association's resources and a higher level of collaboration and interaction between it and Members. This has manifested itself through:

- significantly more policy and advocacy work;
- cost saving legal advice provided through the Association's Legal Services section;
- greater proactivity, particularly in the areas of legislative reform submissions and lobbying and advice to Members;
- increased work in government relations; and
- an enhanced training and membership experience capability.

AHEIA's lobbying efforts have had a direct impact on the Closing the Loopholes Bills, as well as the deferment of some of its provisions in the December 2023 IR reforms. This opens the opportunity to influence additional, practical, changes to the legislation, arising from your feedback and AHEIA's analysis.

The Executive Committee met on five occasions in 2023. In addition, there was an Annual General Meeting and one Extraordinary General Meeting. I thank all members of the Executive Committee for their insightful contributions over the past 12 months.

My regular interactions with AHEIA's Executive Director, Craig Laughton, have helped to ensure that AHEIA continues its policy and advocacy pivot, in addition to maintaining a "Member first" service ethic. I thank Mr. Laughton and his highly experienced team for their outstanding work, which I believe has added significant value to our sector.

The Federal Government now has released the final report of the Australian Universities Accord. The report provides challenges and opportunities for our sector. AHEIA will provide Members with a synopsis of the report and its impacts on our sector, as well as advice upon request. I note that the sector's industrial relations framework will play a vital role in helping to facilitate the Accord's vision.

Last year I noted the importance of working together. Events of 2023 have reinforced that need and I look forward to seeing the further results of such collaboration in 2024 and the associated successes for higher education.

"Events of 2023 have reinforced the need to work together."

EXECUTIVE DIRECTOR'S REVIEW

There has been a significant industrial relations focus in the higher education sector in 2023 as a consequence of the Federal Government's "generational" changes to Australia's industrial relations landscape. These changes to the fabric of how the higher education sector works with its employees will be challenging.

As a direct consequence of the changes, Members have drawn heavily on the support and services offered by AHEIA. We expect the demand for our services to further increase as Members work to implement a highly complex set of provisions, untested by case law.

While enterprise bargaining has been a major focus throughout the year, other significant issues, such as amendments to the Fair Work Act, the interim report of the Australian Universities Accord Panel and the Closing the Loopholes Bills have attracted a significant amount of the Association's resources in order to provide Members with guidance.

AHEIA's profile continues to grow with the Federal Government, the Opposition and the cross benchers, as a direct result of our policy and advocacy efforts. AHEIA is appreciative for the time provided by all political parties, independents and government departments.

We also invested a significant amount of time engaging with regulatory authorities and unions to articulate the industrial relations aspirations of the higher education sector. AHEIA continues to heavily interact with Members through our many training and update sessions, in addition to our regular face to face state-based meetings.

"Members have taken advantage of AHEIA's service as never before."

I also note the significant practical contributions from Members of the Executive Committee to the Association. I am grateful for the openness and clear direction of AHEIA's President, Professor Carolyn Evans, particularly her willingness to meet with key stakeholders in Canberra on a regular basis and providing the Association with valuable policy and advocacy insights.

EXECUTIVE DIRECTOR'S REVIEW
(continued)

The past 12 months has seen AHEIA clearly define its four key Member service offerings:

- high-quality legal advice;
- policy & advocacy;
- training; and
- HR benchmarking.

Most importantly thank you to our Members who have not only given their trust and support to the AHEIA team but also provided us with access to invaluable sector insights.

The new industrial relations framework will undoubtedly create issues for the sector as it is implemented. In particular, the changes to the enterprise bargaining provisions will result in a need for the sector to carefully review its bargaining strategies. **Our sector needs, more than ever, to work together to continue to deliver outstanding workplaces and learning environments for employees and students.**

OPERATING REPORT

SCOPE OF OPERATIONS

The principal activity of AHEIA is to s e its Members.

Such service takes many forms a
year the scope of that interaction

As was highlighted in the 2022
AHEIA, policy and advocacy w
legislative changes promulgated b l
Government was an are of concentration. Accordingly, there was a strengthene cus on the provision of advocacy services.

The work of the Association is expanded up
this Report, however, most activity fell into th
following categories:

- industrial relations advice and advocacy;
- legal advice, representation and on ground in-house support;
- government relations - lobbying of politicians;
- preparing, lodging and supporting submissions on behalf of the sector;
- training, including membe experience and conferences;
- research;
- stakeholder re ions; and
- public comm

Multiple written and verbal submissions were made in 2023 on Members' behalf to:

- the Federal Government;
- Senate Select Committees;
- individual Members of Parliament;
- the Fair Work Commission;
- the Fair Work Ombudsman;
- the Department of Employment and Workplace Relations;
- the Department of Education;
- the Department of Foreign Affairs and Trade; and
- the Australian Universities Accord Panel.

During the year under review the Association engaged in more stakeholder relations and interacting with other peak bodies and unions representing on-campus staff, than in previous years.

Additionally, the views of AHEIA were regularly sought more by the media.

The Association now offers more than 20 training experiences for Members. These range from areas such as Workplace Relations to Business and Technology.

AHEIA has been int ing w key st kehol cluding governments at all le s, other p bodies un mb

ENTERPRISE BARGAINING

The enterprise bargaining round picked up pace significantly in 2023 with the majority of universities completing agreements by year's end. Only a handful of universities were yet to finalise their enterprise agreements in the current bargaining round.

Members sought high levels of support from AHEIA during bargaining. Principle areas of advice included:

- legislative developments;
- case law;
- the progress of agreements and salary outcomes; and
- associated claims by unions.

It's fair to say that advice provided, from the Industrial Relations and Legal Services sections of AHEIA and collaboration between Members and AHEIA was highly valued.

> **"Parties now are bargaining in the shadow of arbitration as the result of legislative changes. Significant changes will mean greater diligence."**

Inflation is forecast to ease over the next two years and with that as a reference point there was a tendency for wage increases to be paid in larger increments at the start of new agreements. This "front loading" of higher instalments contrasts this round of bargaining with previous rounds.

Legislative changes introduced mid-way through the year under review created an enlarged role for the Fair Work Commission to conciliate and where necessary, arbitrate agreements where enterprise bargaining became bogged down and intractable.

The changes are significant and while the focus rightly remains on good faith collective bargaining, it does change the paradigm such that parties now are bargaining in the shadow of arbitration.

Two universities – the University of Newcastle and the University of Southern Queensland – took advantage of Federal legislation and made application under s 240 of the *Fair Work Act 2009* for conciliation to be conducted by the Fair Work Commission.

ENTERPRISE BARGAINING
(continued)

Universities have worked with a sense of responsibility and urgency to finalise enterprise agreements. However, these negotiations often have been hampered by inadequate preparation by the union, driven by a lack of resources.

As a result, there has been significant dispersal of the end dates of agreements with some to end in late 2024 or early 2025, while others will run through to mid-2026. This means most universities will need to commence preparations for the next round of bargaining by the middle of 2024, including crucial strategic decisions about what claims can be funded and what enhancements are necessary for future institutional success.

AHEIA has drawn Members' attention to the time frame and has been actively looking at what can be done to support Members to expedite the round of bargaining in 2025.

Heading into 2024 there are six universities still bargaining with some expected to finalise their agreements in the first quarter of the year.

The well-attended enterprise bargaining forum staged for senior decision-makers at university level in November 2023 will inform sector and AHEIA priorities for the next bargaining round.

LEGAL SERVICES

-
  provisions);
- conduct, discipline, directions and lawful management action;
- investigations and review; and
- termination and end of employment relationship.

The legal team prepared a number of useful Member guides and made numerous presentations to Members (fixed-term contracts, casualisation).

Dispute resolution and litigation:

- appearances in the Fair Work Commission, Australian Human Rights Commission (and state/territory equivalents) and other state and federal jurisdictions (including courts);
- negotiation and resolution of disputes before litigation and/or in pre-trial phase; and
- appeals to the Full Bench of the Fair Work Commission and other appeals in other jurisdictions.

Industrial relations compliance:

- wage integrity;
- enterprise bargaining; and
- regulatory compliance and liaison with the regulator.

Other areas:

- defamation;
- privacy; and
- discrimination, human rights and equal opportunity.

Legal advice and representation has been provided as part of membership, at **no** extra cost to the Member. Unsurprisingly, Members have drawn heavily on our fixed-term contract advice line services.

There have been positive outcomes for Members in and out of court and the Commission, including successfully defending applications for unfair dismissal and general protections, as well as successfully appealing a decision by the Fair Work Commission to not approve enterprise agreements.

LEGAL SERVICES
(continued)

A conservative estimate of savings in legal fees for Members is almost half a million dollars in the year under review. One matter alone was quoted by a legal firm at more than $100,000 – in this particular instance the Member was able to avoid this entire external legal spend exposure.

AHEIA also established a free, fixed-term contract advisory line for Members. The facility was well supported and was relevant for universities with:

- a speci uestion ut the upcoming fixed-term co mitations; or
- a specific scenario; or
- aspects of t ming changes that ere unclear.

AHEI il d expert al advice to M s. It is expecte hat there will be a significan o advice as result of trial relat ons landscape.

The As oc M ers to use i ice and representation.

Cost saving time dvice and support has been provi ed in a wide range of a eas

LEARNING AND DEVELOPMENT

The post-COVID period highlighted the need for the Association's training offerings to serve the higher education sector differently.

A commitment to consultation and engagement with Members was paramount in this process.

Universities' needs, challenges and aspirations, were heard and embedded in a new training programme. This collaborative effort laid the foundation for a comprehensive review of the approach to training and the products developed to lift capability across the sector.

AHEIA has set its sights on a holistic approach to learning in 2024 and beyond. Revamped training programmes will be focused around four key knowledge streams that directly address the unique requirements of the higher education sector. They are:

- Workplace Relations: equipping Members with the knowledge and skills to navigate complex workplace dynamics, such as managing difficult workplace behaviour;
- Human Resources (HR): empowering HR professionals to excel in their roles and contribute to organisational success;
- Leadership and Management: cultivating leadership excellence to drive innovation and transformation; and
- Business and Technology: ensuring that Members stay at the forefront of the latest business and technology trends shaping higher education.

Learning experiences will be tailored to accommodate individual needs, including on-demand courses for flexibility, face-to-face interactions for in-depth learning and team-focused programmes for collaborative growth.

There has been very positive feedback from participants in the initial stages of rolling out new products and on-line completion rates have been consistently high.

AHEIA now is positioned better to serve an ever-evolving landscape. It will deliver engaging and relevant learning experiences that improve and lift capability in critical areas. Four key knowledge streams and diverse modalities will be the cornerstones of its commitment to empowering the higher education sector. (see image next page).

"AHEIA is committed to offering innovative and relevant training options to upskill and prepare for the new landscape and reduce the reliance on external consultants."

MEMBERSHIP EXPERIENCE

people the Association has established three key networking groups:

- Organisational Development: bringing together professionals dedicated to enhancing organisational growth and effectiveness;
- Talent Acquisition, Recruitment and Employee Experience: creating a space for experts in talent management to share insights and strategies for attracting the best talent and optimising the employee experience; and
- Strategic Workforce Planning: facilitating discussions on the critical area of workforce planning to align talent with institutional goals.

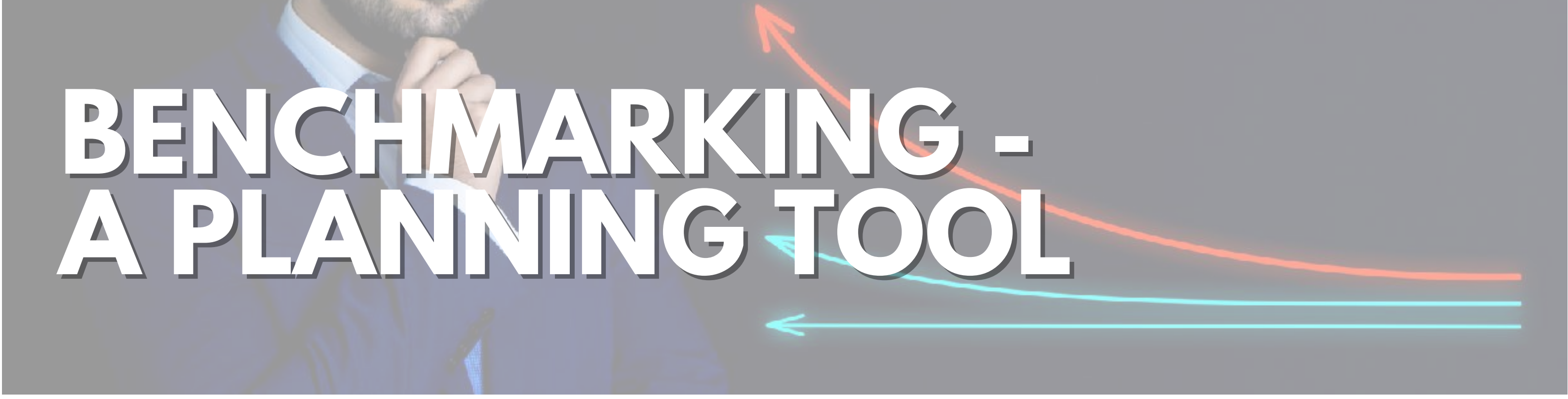
These networking groups serve as complimentary resources for all Members, providing an opportunity to connect and collaborate across the sector.

Each networking group hosts four meetings a year. These have been consistently well attended and offer a valuable forum for Members to share successes, identify areas for improvement and seek input from peers on their challenges.

In 2024, AHEIA will expand and strengthen networking opportunities. It will foster connections and collaboration among its Members, which is instrumental in driving innovation and excellence.

There also will be the addition of a fourth network: HR Business Partners. Recognising the pivotal role that HR Business Partners play in bridging the gap between HR and the broader institution, this network will serve as a platform for HR Business Partners to share best practices, tackle challenges and contribute to strategic decision-making.

A new website will deliver greater benefits to Members as well as present more information and a user-friendly interface for visitors.



BENCHMARKING - A PLANNING TOOL

Members report information about their university, that is analysed and reported across a wide range of measures, drawing comparisons with the university sector as a whole or a defined sub-group of universities. Each year AHEIA conducts a review of the programme, including the survey measures, how data is received and input and how results are reported to programme members.

A new version of the Power BI executive dashboard was launched in August 2023, prior to the Universities HR Benchmarking Conference held in Melbourne in September. Additional post-conference feedback also was received to fine-tune the dashboard for enhancement in 2024.

Some of the key findings from the 2023 survey include:

- employment costs as a percentage of revenue increased to 56.8 per cent compared with 49.9 per cent in 2021;
- more females are employed on campus as a percentage of total employment, moving from 56.8 per cent in 2022 to 58.9 per cent in 2023;
- voluntary university-initiated staff turnover is down to just over one percent;
- involuntary university-initiated turnover was stable at less than one half of a per cent; and
- there has been a fall in the gender pay gap, in line with university aims.

In 2024, the Association will undertake a significant review of the HR Benchmarking Tool, with a key focus of the review being the creation of an enhanced Member experience through greater analytical insights, coupled with a more contemporary user interface.

> **“The 11th universities benchmarking survey was run in 2023.”**

NATIONAL CONFERENCES

Two face-to-face national conferences were held in 2023.

These were the Higher Education HR – Industrial Relations conference in May and the September Universities HR Benchmarking Conference.

The sector is experiencing significant change with more ahead. The change has been driven strongly by the Federal Government through legislative reform. It therefore was appropriate that our first conference in 2023 had the theme of **‘Challenge, Change, Transition’**.

The keynote address by AHEIA’s President, Professor Carolyn Evans, Vice-Chancellor & President of Griffith University, dealt with challenges facing the sector. Other speakers included Professor Zlatko Skrbis, Vice-Chancellor and President of Australian Catholic University, who provided valuable insights into the future of enterprise bargaining.

The conferences’ substance is of vital importance.

Collaboration is a key to the successful evolution of the higher education sector and the more that universities work together, ‘singing from the same hymn sheet’, the better Members will be able to manage the significant sector challenges that lie ahead.

NATIONAL CONFERENCES
(continued)

Secondly, the Benchmarking Conference title “**Strategic Workforce Planning and HR Metrics”** featured several key speakers from the university and private sector.

Changes to the nation’s industrial relations framework mean that workforce planning is becoming more complex, with the area of casual employment being one of focus.

The scene setter for the conference was provided by Professor Zlatko Skrbis, who highlighted the various considerations and challenges, such as employment conditions, ongoing funding issues, technological advancements and the leadership for the future industrial changes from the Australian Universities Accord Interim Report.

Other speakers gave perspectives on:

- what good strategic workforce planning looks like in shaping the future of the workforce;
- the future of strategic workforce planning using local HR analytics (via HRIS) and the regional demographic of the community and international challenges for talent management post-COVID;
- where the application of analytics and technologies can be of most value for HR leaders in their talent and leadership strategies; and
- the enabling of effective and efficient processing of information and providing insights into the value of talent data, the creation of value from employee statistics, quantitative data and insights as to the direction talent analytics will take in the years ahead. The importance of Artificial Intelligence was an area of interest.

ADDING VALUE

Fortnightly sector check-ins – in the form of zoom meetings - were considerably broadened in scope as the enterprise bargaining round evolved, to include major updates on the progress of the *Secure Jobs*, *Better Pay Act* and the *Closing the Loopholes Bills*, especially as to their impact on fixed-term and casual employment. The well-supported sessions included:

- briefings from AHEIA on its advocacy work with all sides of politics;
- presentations by workplace relations experts from leading and specialist law firms. There were six such presentations on subjects ranging from legislative changes to the management of psychosocial hazards in the workplace; and
- communications around union activity and misleading claims.

These presentations provoked significant discussion and follow up query. This information helped inform subsequent strategy development.

Two half-day forums were held in conjunction with our major conferences in May (Hobart) and September (Melbourne) specifically for Chief People Officers (CPO) and HR Directors from Member institutions.

Content for the forums was informed by consultation with our CPO Steering Committee, comprising CPOs from six universities.

Major points for discussion at the May forum were psychosocial safety in the workplace and attraction and retention of talent.

The September forum focused on the implications of the Australian Universities Accord and Member input for the agenda for the November CPO Summit.

Members took advantage of workplace relations experts' advice offered in regular sector check-ins

ADDING VALUE
(continued)

The Summit, held in November and sponsored by UniSuper, brought CPOs and HR Directors together to discuss and formulate strategies on considerations for the next round of bargaining (due to commence in 2024-25), including addressing the following issues:

- the potential impact of the Australian Universities Accord;
- the impact of legislative changes to fixed-term employment and proposed changes to casual employment; and
- potential amendments to the safety net awards covering higher education and post-secondary employees.

The outcomes of these discussions will be tabled with Vice Chancellors of Member universities for their comment and consideration in February 2024.

ENGAGEMENT

AHEIA's regular schedule of State-based meetings of workplace relations and HR business partner staff were strongly supported, with numerous universities offering to be host venues throughout the year.

These meetings enable practitioners ''at the coalface'' to exchange practical information and advice on current casework, progress of bargaining, union interactions and response to sector-wide issues. The meetings are chaired by AHEIA workplace relations and legal staff, who also provide updates on case law and upcoming AHEIA events, including Learning and Development programmes.

In September, a special workshop was held with all Victorian Members on matters around bargaining and legislative challenges relating to fixed-term employment and workforce planning.

MEMBERSHIP AND GOVERNANCE

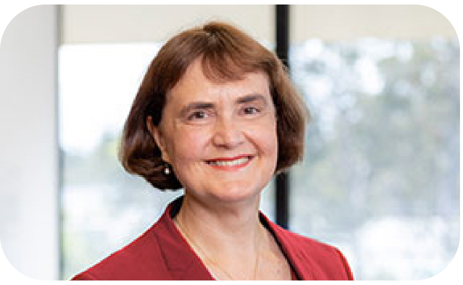
There were 32 Members of the Association as at 31 December 2023:

- Australian Catholic University
- Central Queensland University
- Charles Darwin University
- Charles Sturt University
- Curtin University
- Deakin University
- Edith Cowan University
- Federation University Australia
- Griffith University
- James Cook University
- La Trobe University
- Macquarie University
- Murdoch University
- Queensland University of Technology
- RMIT University
- Southern Cross University
- Swinburne University of Technology
- University of Adelaide
- University of Canberra
- University of New England
- University of Newcastle
- University of Notre Dame Australia
- University of Queensland
- University of South Australia
- University of Southern Queensland
- University of the Sunshine Coast
- University of Tasmania
- University of Technology Sydney
- University of Western Australia
- University of Wollongong
- Victoria University
- Western Sydney University

GENERAL MEETINGS OF MEMBERS

An Extraordinary General Meeting of the Association was held by video-conference on 20 June 2023 and the Annual General Meeting by video-conference on 28 November 2023.

THE EXECUTIVE COMMITTEE

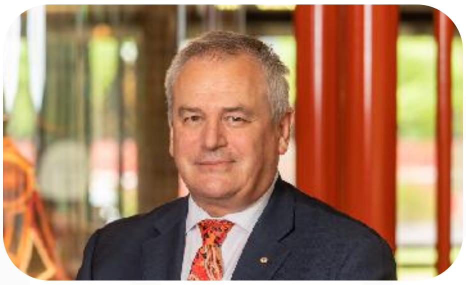


PRESIDENT
Professor Carolyn Evans
Vice Chancellor and President,
Griffith University

28 Nov 2023 - 2025 AGM
26 Oct 2021 - 27 Nov 2023
31 Jul 2021 - 26 Oct 2021
28 Oct2020 - 30 Jul 2021 (member)
11 Mar 2020 - 28 Oct 2020 (member)

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

28 Nov 2023 - 2025 AGM
26 Oct 2021 - 27 Nov 2023



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

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

MEMBER
Professor Pascale Quester
Vice-Chancellor and President,
Swinburne University of Technology

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

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

29 Nov 22 - 2024 AGM

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

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

THE EXECUTIVE COMMITTEE
(continued)

EXECUTIVE COMMITTEE ELECTIONS AND APPOINTMENTS

Professor Carolyn Evans, Vice Chancellor and President, Griffith University, and Professor Zlatko Skrbis, Vice-Chancellor and President, Australian Catholic University, were elected unopposed as President and Vice President. They took office at the 2023 Annual General Meeting (AGM) and will serve until the conclusion of the 2025 AGM.

The other Executive Committee members are:

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

We are confident that the collective expertise and leadership of the Executive Committee will continue to drive our organization towards achieving its goals.

MEETINGS OF THE EXECUTIVE COMMITTEE

Tuesday, 14 March 2023 Video-conference
Thursday, 4 May 2023 Video-conference
Tuesday, 20 June 2023 Video-conference
Tuesday, 10 October 2023 Video-conference
Tuesday, 28 November 2023 Video-conference

MANNER OF RESIGNATION

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

1. A Member may resign from the Association by written notice addressed and delivered to the Executive Director.

2. Except as provided for in the sub-Rule 11(3), a written notice of resignation shall take effect:
   a. At the end of two weeks after the notice is received by the Association; or
   b. On the day specified in the notice, whichever is later.

3. Where a Member ceases to be eligible to become a Member of the Association, a written notice of resignation addressed and delivered to the Executive Director shall take effect:
   a. On the day on which the Association receives the notice;
   b. On the day specified in the notice, which is a day not earlier than the day when the Member ceases to be eligible to become a Member, whichever is later.

4. Upon the resignation becomes effective, the Member shall cease to have any interest in or claim upon the funds of the Association.

5. A Member who ceases to exist as a separate legal entity shall thereupon be deemed to have resigned.

6. Any dues payable but not paid by a former Member of the Association in relation to a period before the Member's resignation from the Association took effect may be sued for and recovered in the name of the Association, in a court of competent jurisdiction, as a debt due to the Association.

7. A notice delivered to the Executive Director pursuant to sub-Rule 11(1) shall be taken to have been received by the Association when it was delivered.

8. A notice of resignation that has been received by the Association is not invalid because it was not addressed and delivered in accordance with sub-Rule 11(1).

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

OTHER SIGNIFICANT MATTERS

SIGNIFICANT CHANGES IN THE NATURE OF THE ASSOCIATION'S ACTIVITIES

There were no significant changes in the nature of the Association's activities during the year.

SIGNIFICANT CHANGES IN THE FINANCIAL AFFAIRS OF THE ASSOCIATION

There were no significant changes in the financial affairs of the Association during the year.

OTHER MATTERS OF IMPORTANCE

All Members of the Association are universities.

DISCLOSURE STATEMENT

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

EMPLOYEES OF THE ASSOCIATION

There were nine full-time staff and two part-time staff employed by the Association as at 31 December 2023.

PREPARATION OF THIS OPERATING REPORT

This Operating Report has been prepared by the President of the Association, Professor Carolyn Evans.

12 March 2024

FINANCIAL REPORT

INDEPENDENT AUDITOR'S REPORT

McLean Delmo Bentleys
THINKING AHEAD

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

Opinion
I have audited the financial report of Australian Higher Education Industrial Association ("AHEIA"), which comprises the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, the Committee of Management's Statement and the subsection 255(2A) report and the Officer Declaration Statement of the Reporting Unit.

In my opinion the accompanying financial report of AHEIA presents fairly, in all material respects, the entity's financial position as at 31 December 2023 and their financial performance and their cash flows for the year then ended in accordance with:

(i) Australian Accounting Standards; and

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

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

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

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

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

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

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

INDEPENDENT AUDITOR'S REPORT
(continued)

McLean Delmo Bentleys
THINKING AHEAD

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

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

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

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

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

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

McLean Delmo Bentleys
THINKING AHEAD

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

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

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

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

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

McLean Delmo Bentleys Audit Pty Ltd

McLean Delmo Bentleys Audit Pty Ltd

[redacted]

John Delmo
Partner

Hawthorn
18 March 2024

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

OFFICER DECLARATION STATEMENT

Australian
Higher
Education
Industrial
Association

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

OFFICER DECLARATION STATEMENT

I, Carolyn Evans, being the President of the Australian Higher Education Industrial Association, declare that the following activities did not occur during the reporting period ending 31 December 2023.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern;
- agree to provide financial support to another reporting unit to ensure they continue as a going concern;
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission;
- receive capitation fees from another reporting unit;
- receive any other revenue from another reporting unit;
- receive revenue via compulsory levies;
- receive donations or grants;
- receive revenue from undertaking recovery of wages activity;
- incur fees as consideration for employers making payroll deductions of membership subscriptions;
- pay capitation fees to another reporting unit;
- pay affiliation fees to another entity;
- pay compulsory levies;
- pay a grant that was $1,000 or less;
- pay a grant that exceeded $1,000;
- pay legal costs relating to litigation;
- pay a penalty imposed under the RO Act or the Fair Work Act 2009;
- have a receivable with another reporting unit;
- have a payable with another reporting unit;
- have a payable to employer as consideration for that employer making payroll deductions of membership subscriptions;
- have a payable in respect of legal costs relating to litigation;
- provide cash flows to another reporting unit and / or controlled entity;
- receive cash flows from another reporting unit and / or controlled entity;
- have another entity administer the financial affairs of the reporting unit; and
- make a payment to a former related party of the reporting unit.

[redacted]

PROFESSOR CAROLYN EVANS

President

Date: 18 March 2024

COMMITTEE OF MANAGEMENT STATEMENT

Australian
Higher
Education
Industrial
Association

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

COMMITTEE OF MANAGEMENT STATEMENT

On 12 March 2024, the Executive Committee of Australian Higher Education Industrial Association ("reporting unit") passed the following resolution in relation to the general purpose financial report (GPFR) for the financial year ended 31 December 2023.

The Executive Committee declares that in its opinion:

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

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

For and on behalf of the Executive Committee:

[redacted]

PROFESSOR CAROLYN EVANS
President

Date: 18 March 2024

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Level 6
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Melbourne
VIC 3000

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ABN: 74 401 952 624

REPORT REQUIRED UNDER SUBSECTION 255 (2A)

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

REPORT REQUIRED UNDER SUBSECTION 255 (2A)
FOR THE YEAR ENDED 31 DECEMBER 2023

The Executive Committee presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2023.

Descriptive form:

Categories of expenditures	2023 $	2022 $
Remuneration and other employment-related costs and expenses – employees	1,943,455	1,958,488
Advertising	-	-
Operating costs	807,781	641,676
Donations to political parties	-	-
Legal costs	69,703	-

[redacted] ___________

PROFESSOR CAROLYN EVANS

President

Date: 18 March 2024

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	Notes	2023 $	2022 $
Revenue from ordinary activities	3	**2,894,032**	**2,712,292**
Expenses			
Employee expenses	4	(1,943,455)	(1,958,488)
Depreciation and amortization	9, 10	(188,590)	(165,520)
Occupancy expenses		(81,346)	(61,793)
Travelling expenses		(32,567)	(25,085)
Communication expenses		(21,077)	(31,033)
Printing and stationery expenses		(20,554)	(26,213)
Professional fees expense		(16,610)	(11,881)
Finance costs	4	(19,767)	(26,424)
Legal fees		(69,703)	(-)
Information technology expenses		(84,580)	(39,933)
Insurance expenses		(20,986)	(16,454)
Conference and meeting expenses		(281,300)	(199,020)
Other administration expenses	4	(40,404)	(38,320)
Total expenses		**(2,820,939)**	**(2,600,164)**
Surplus for the year		**73,093**	**112,128**
Other comprehensive income:			
Items that will not be subsequently reclassified to profit and loss – Gain / (Loss) on equity instruments designated at FVTOCI	15	166,981	(308,766)
Total comprehensive result for the year		**240,074**	**(196,638)**

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

STATEMENT OF FINANCIAL POSITION

For the year ended 31 December 2023

	Notes	2023 $	2022 $
ASSETS			
Current Assets			
Cash and cash equivalents	5	5,068,657	879,176
Trade and other receivables	6	1,504,698	2,360,068
Other current assets	7	45,170	46,369
Financial Assets	8	565,000	3,343,364
Total current assets		**7,183,525**	**6,628,977**
Non-Current Assets			
Plant and equipment	9	297,119	440,360
Intangible assets	10	21,498	35,565
Total Non-Current assets		**318,617**	**475,925**
Total ASSETS		**7,502,142**	**7,104,902**
LIABILITIES			
Current Liabilities			
Trade and other payables	11	384,922	350,572
Other liabilities	13	2,586,736	2,305,673
Lease liabilities	12	129,056	116,238
Employee provisions	14	273,039	322,219
Total current liabilities		**3,373,753**	**3,094,702**
Non-Current Liabilities			
Lease liabilities	12	155,045	284,101
Employee provisions	14	7,883	712
Total non-current liabilities		**162,928**	**284,813**
Total LIABILITIES		**3,536,681**	**3,379,515**
NET ASSETS		**3,965,461**	**3,725,387**
EQUITY			
Reserves	15	725,000	725,000
Investment revaluation reserve	16	-	(166,981)
Accumulated surplus	17	3,240,461	3,167,368
Total equity		**3,965,461**	**3,725,387**

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

STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2023

	Reserves $	Investment Revaluation Reserve $	Accumulated Surplus $	Total Equity $
Balance as at 1 January 2022	725,000	141,785	3,055,240	3,922,025
Surplus for the year	-	-	112,128	112,128
Other comprehensive income for the year	-	(308,766)	-	(308,766)
Closing balance as at 31 December 2022	**725,000**	**(166,981)**	**3,167,368**	**3,725,387**
Balance as at 1 January 2023	725,000	(166,981)	3,167,368	3,725,387
Surplus for the year	-	-	73,093	73,093
Other comprehensive income for the year	-	166,981	-	166,981
Closing balance as at 31 December 2023	**725,000**	**(166,981)**	**3,240,461**	**3,965,461**

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

STATEMENT OF CASH FLOWS

For the year ended 31 December 2023

	Notes	2023 $	2022 $
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from customers		3,997,987	2,497,544
Payments to suppliers and employees		(2,627,775)	(2,514,001)
Interest received		32,478	5,151
Interest on lease payments		(19,767)	(26,424)
Net cash from/(used in) operating activities	10A	**1,382,923**	**(37,730)**
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for property, plant and equipment		(31,282)	(78,198)
Proceeds from sale of investment		2,945,345	-
Investment income		8,732	89,983
Net cash from investing activities		**2,922,795**	**11,785**
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from/(repayment of) financial liabilities, net		(116,237)	(104,231)
Net cash used in financing activities		**(116,237)**	**(104,231)**
Net increase/(decrease) in cash and cash equivalents		4,189,481	(130,176)
Cash and cash equivalents at the beginning of the financial year		879,176	1,009,352
Cash and cash equivalents at end of the financial year	5A	**5,068,657**	**879,176**

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2023

NOTE 1 Summary of Significant Accounting Policies

1.1 Basis of Preparation of the Financial Statements

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

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

1.2 Comparative amounts

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

1.3 Revenue

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

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

Revenue from contracts with customers

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

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

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Association. Until this point, any income received in advance is recognised as member subscriptions in advance in other liabilities.

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

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

NOTE 1 Summary of Significant Accounting Policies (continued)

When a performance obligation is satisfied, the Association recognises revenue at the amount of the transaction price that was allocated to the performance obligation.

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

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

Investment income

The association recognises investment income on an accrual basis.

Conference and sponsorship income

Income received with respect to conference and sponsorship is recognised once the relevant event has taken place.

Interest income

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

1.4 Employee benefits

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

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

1.5 Cash and cash equivalents

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

1.6 Leases

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

Association as a lessee

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

Right-of-use assets

The Association recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received.

NOTE 1 Summary of Significant Accounting Policies (continued)

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

	2023	2022
Right of use asset	Term of lease	Term of lease

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

1.7 Financial instruments

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

1.8 Financial assets

Contract assets and receivables

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

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

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

Initial recognition and measurement

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

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

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

NOTE 1 Summary of Significant Accounting Policies (continued)

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

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

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

Subsequent measurement

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

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

Financial assets at fair value through other comprehensive income

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

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

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

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

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

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

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

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

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

NOTE 1 Summary of Significant Accounting Policies (continued)

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

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

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

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

Impairment

Expected credit losses

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

(i) Trade receivables

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

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

(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 Association recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

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

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

1.9 Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading are recognised in profit or loss. Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

Financial liabilities at amortised cost

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

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

Derecognition

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

NOTE 1 Summary of Significant Accounting Policies (continued)

1.10 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Association transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the Association performs under the contract (i.e., transfers control of the related goods or services to the customer).

1.11 Contingent Liabilities and Contingent Assets

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

1.12 Plant and equipment

Asset Recognition Threshold

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

Asset Recognition Threshold

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

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

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

Derecognition

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

1.13 Intangible assets

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

	Amortisation rates	Amortisation basis
Intangible assets	25%	Straight line

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.14 Impairment for non-financial assets

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

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

1.15 Taxation

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

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

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

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

1.16 Current and non-current classification

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

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

1.17 Critical accounting judgements, estimates and assumptions

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

NOTE 1 Summary of Significant Accounting Policies (continued)

Estimation of useful lives of assets

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

Employee benefits provision

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

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience, historical collection rates and forward looking information that is available. The allowance for expected credit losses, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term.

In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

1.18 Recovery of wages

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

1.19 Acquisition of assets or liabilities

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

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

NOTE 1 Summary of Significant Accounting Policies (continued)

1.20 Business combinations

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

1.21 Transactions with another reporting unit

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

1.22 Going concern assumption

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

1.23 Financial support to another reporting unit

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

1.24 New accounting standards

Future Australian Accounting Standards Requirements Accounting Standards

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

NOTE 2 Events after the reporting period

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

	2023 $	2022 $
NOTE 3 Revenue from ordinary activities		
Revenue from contracts with customers:		
Membership subscriptions	2,483,786	2,387,888
Total revenue from contracts with customers	**2,483,786**	**2,387,888**
Other Revenue		
Interest received	32,478	5,151
Investment income	8,732	89,983
Conference and sponsorship income	278,141	62,089
Service fees	90.895	97,017
Sundry revenue	0	70,164
Total other revenue	**410,246**	**324,404**
Total revenue from ordinary activities	**2,894,032**	**2,712,292**

NOTE 4 Expenses

	2023 $	2022 $
Note 4A: Employee expenses		
Employees other than office holders:		
Wages and salaries	1,791,925	2,028,854
Superannuation	193,540	185,342
Leave and other entitlements	(42,010)	(255,708)
Total employee expenses	**1,943,455**	**1.958.488**
Note 4B: Other administration expenses		
Subscription fees	1,640	1,532
Office services and supplies	11,382	12,788
Bank charges	4,536	5,781
Consultant fees	17,824	8,742
Other operating expenses	5,022	9,477
Total other administration expenses	**40,404**	**38,320**
Note 4C: Finance costs		
Interest-Right of Use liability	19,767	26,424
Total finance costs	**19,767**	**26,424**

	2023 $	2022 $
NOTE 5 Cash and cash equivalents		
Cash on hand	200	200
Cash at bank	5,068,457	878,976
Total Cash and Cash Equivalents	**5,068,657**	**879,176**
Reconciliation of surplus after income tax to net cash from operating activities		
Surplus after income tax expense for the year	73,093	112,128
Adjustments for non-cash items		
Depreciation and amortisation	188,590	165,520
Income reinvested - financial asset	(8,732)	(89,983)
Change in assets and liabilities		
(Increase) / Decrease in receivables	855,370	(2,256,476)
(Increase) / Decrease in other assets	1,199	13,305
(Decrease) / Increase in payables	315,413	2,273,484
(Decrease) / Increase in employee provisions	(42,010)	(255,708)
Net cash provided by operating activities	**1,382,923**	**(37,730)**
Cash flow information		
Cash inflows		
Australian Higher Education Industrial Association	4,030,465	2,592,678
Total cash inflows	**4,030,465**	**2,592,678**
Cash outflows		
Australian Higher Education Industrial Association	2,647,542	2,540,425
Total cash outflows	**2,647,542**	**2,540,425**
NOTE 6 Trade and other receivables		
Trade receivables	1,500,745	2,356,115
Other receivables	3,953	3,953
Total trade and other receivables	**1,504,698**	**2,360,068**

The average credit period is 30 days (2022: 30 days). No interest is charged on outstanding amounts.
As at 31 December 2023, there were no receivables due from other reporting units (2022 : $nil).
There were no receivable balances requiring provision as a doubtful debt at 31 December 2023 (2022 : $nil).

	2023 $	2022 $
NOTE 7: Other Current Assets		
Prepayments	45,170	46,369
Accrued income	-	-
Total other current assets	**45,170**	**46,369**

	2023 $	2022 $
NOTE 8: Financial Assets		
Financial assets designated at fair value through other comprehensive income		
Managed investment portfolio	-	2,778,364
Financial assets at fair value through profit or loss		
Term deposits*	565,000	565,000
Total Financial Assets	**565,000**	**3,343,364**

* The Association has in place a bank guarantee with the National Australia Bank for the current lease at Level 6, 303 Collins Street, Melbourne. This bank guarantee of $112,444 (2022: $112,444) is secured by one of the term deposits.

	2023 $	2022 $
Note 9: Property, plant and equipment		
Leasehold improvements - at cost	304,994	304,994
Less: Accumulated depreciation	(304,994)	(270,305)
	-	34,689
Plant and equipment - at cost	197,677	166,395
Less: Accumulated depreciation	(146,562)	(124,810)
	51,115	41,585
ROU asset - at cost	1,099,890	1,099,890
Less: Accumulated depreciation	(853,886)	(735,804)
	246,004	364,086
Total property, plant and equipment	**297,119**	**440,360**

NOTE 9. Property, plant and equipment (continued)

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Leasehold improvements $	Plant and equipment $	ROU asset $	TOTAL $
Balance at 1 January 2023	34,689	41,586	364,086	440,360
Additions	-	31,282	-	31,282
Depreciation expense	(34,689)	(21,752)	(118,082)	(174,523)
Balance at 31 December 2023	**-**	**51,115**	**246,004**	**297,119**

The company leases land and buildings for its offices, under agreements of between five to fifteen years with, in some cases, options to extend. The leases have various escalation clauses. On renewal, the terms of the leases are renegotiated.

	2023 $	2022 $
NOTE 10 Intangibles		
Website - at cost	142,894	142,894
Less: Accumulated amortisation	(121,396)	(107,329)
Carrying amount at end of the year	**21,498**	**35,565**

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Website $	Total $
Balance at 1 January 2023	35,565	35,565
Amortization expense	(14,067)	(14,067)
Balance at 31 December 2023	**21,498**	**21,498**

NOTE 11 Trade and other payables	2023 $	2022 $
Current		
Trade payables	53,224	31,772
Payables to other reporting units	-	-
Other payables:		
Accrued expenses	10,099	10,649
Superannuation and PAYG payable	57,704	65,692
Other payables	264,895	242,459
Total trade and other payables	**384,922**	**350,572**

The average credit period is 30 days (2022: 30 days). No interest is charged on outstanding amounts.

	2023 $	2022 $
NOTE 12 Lease liabilities		
Current		
Lease liabilities	129,056	116,238
	129,056	116,238
Non-current		
Lease liabilities	155,045	284,101
	155,045	284,101
Total lease liabilities	**284,101**	**400,339**
NOTE 13 Other liabilities		
Current		
Member subscriptions in advance	2,586,736	2,305,673
Total other liabilities	**2,586,736**	**2,305,673**
NOTE 14 Employee provisions		
Office holders:		
Annual leave	-	-
Long service leave	-	-
Employees other than office holders:		
Current		
Annual leave	146,148	123,921
Long service leave	126,891	198,298
Total current	**273,039**	**322,219**
Non-current		
Long service leave	7,883	712
Total non-current	**7,883**	**712**
Total employee provisions	**280,922**	**322,931**

Annual leave
The provision represents the expected cost in relation to unused annual leave at the reporting date.

Long service leave
The provision represents the present value of the estimated future cash flows to be made in respect of all employees in relation to long service leave.

Movements in provisions
Movements in each class of provision during the current financial year, other than employee benefits, are set out below:

	Annual leave $	Long service leave $	TOTAL $
Balance at 1 January 2023	123,921	199,010	322,931
Additional provisions recognised	22,227	7,171	29,398
Amounts used	-	(71,407)	(71,407)
Balance at 31 December 2023	**146,148**	**134,774**	**280,922**

	2023 $	2022 $
NOTE 15 Other reserves		
Reserve for Legal Services		
Balance at 1 January 2023	475,000	475,000
Transferred to/(from) reserve	-	-
Balance at 31 December 2023	**475,000**	**475,000**
Reserve for Major Contingency		
Balance at 1 January 2023	250,000	250,000
Transferred to/(from) reserve	-	-
Balance at 31 December 2023	**250,000**	**250,000**
Total reserves	**725,000**	**725,000**

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

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

NOTE 16 Investment Revaluation Reserve

Balance at 1 January 2023	(166,981)	141,785
Gain / (Loss) on equity instruments designated at FVTOCI	166,981	(308,766)
Balance at 31 December 2023	**-**	**(166,981)**

Note 17 Accumulated Surplus

Balance at 1 January 2023	3,167,368	3,055,240
Surplus for the year	73,093	112,128
Balance at 31 December 2023	**3,240,461**	**3,167,368**

NOTE 18 Key management personnel disclosures

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

Short-term employee benefits	380,000	540,270
Termination benefits	-	131,742
Total key management personnel disclosures	**380,000**	**671,012**

NOTE 19 Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by McLean Delmo Bentleys Audit Pty Ltd, the auditor of the company:

	2023 $	2022 $
Audit services - McLean Delmo Bentleys Audit Pty Ltd		
Audit of the financial statements	10,350	9,600
Other services - McLean Delmo Bentleys Audit Pty Ltd		
Provision for tax services	1,850	3,350
Assistance with the preparation of the financial statements	3,750	3,550
Total remuneration of auditors	**15,950**	**16,500**

NOTE 20 Contingent liabilities

The Association has no contingent assets or liabilities as at 31 December 2023 (2022: nil).

NOTE 21 Commitments

The Association has no commitments as at 31 December 2023 (2022: nil).

NOTE 22 Related party transactions

Key management personnel
Disclosures relating to key management personnel are set out in Note 18.

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

NOTE 23 Financial instruments

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

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

The Association's principal financial instruments comprise cash and short-term deposits, fair value through profit or loss assets and accounts receivable/payable. At the end of the 2023 financial year, the Association had investments of $0 (2022: $2,778,364) in managed funds through BT Panorama Investments. These funds were managed by third parties to achieve the growth targets set by the Committee of Management, which evaluates the performance of its portfolio based on reports received from the external financial advisor.

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

NOTE 23 Financial instruments (continued)

Note 23A Categories of financial instruments

Financial assets	Note	Category	2023 $	2022 $
Cash and cash equivalents	5	Financial asset measured at amortised cost	5,068,657	879,176
Term Deposits	8	Financial asset measured at amortised cost	565,000	565,000
Trade Receivables	6	Financial asset measured at amortised cost	1,500,745	2,356,115
Managed Investment Portfolio	8	Financial assets measured at Fair value through other comprehensive income	-	2,778,364
Financial liabilities				
Trade Payables	11	Financial asset measured at amortised cost	53,224	31,772

Note 23B Net Income and Expense from Financial Assets

	2023 $	2022 $
Cash and cash equivalents		
Interest revenue	2,857	1,019
Net gain on cash and cash equivalents	**2,857**	**1,019**
Term deposits		
Interest revenue	29,621	4,132
Net gain on term deposits	**29,621**	**4,132**
Equity investments		
Investment income	8,732	89,983
Net gain on equity investments	**8,732**	**89,983**
Equity investments designated as fair value through other comprehensive income		
(Loss) / gain in value of equity investments	166,981	(308,766)
Net (loss) / gain on equity investments	**166,981**	**(308,766)**
Net (loss) / gain from financial assets	**208,191**	**(213,632)**

NOTE 23 Financial instruments (continued)

Note 23C: Fair Value of Financial Instruments

	Carrying amount 2023 $	Fair value 2023 $	Carrying amount 2022 $	Fair value 2022 $
Financial Assets				
Cash and cash equivalents	5,068,657	5,068,657	879,176	879,176
Trade receivables	1,500,745	1,500,745	2,356,115	2,356,115
Investments – term deposits	565,000	565,000	565,000	565,000
Investments - FVTOCI	-	-	2,778,364	2,778,364
Total	**7,134,402**	**7,134,402**	**6,578,655**	**6,578,655**

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

Fair value measurements categorised by fair value hierarchy

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

Level 1: Fair value obtained from unadjusted quoted prices in active markets for identical instruments indirectly
Level 2: Fair value derived from inputs other than quoted prices included within Level 1 that are observable for the instrument, either directly or
Level 3: Fair value derived from inputs that are not based on observable market data.

Fair value hierarchy for financial assets

	Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022
Managed investment portfolio		2,778,364				
Total		**2,778,364**				

Note 23D: Credit risk

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

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

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

Note 23E: Liquidity risk

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

Note 23F: Market risk

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

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

Interest rate risk

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

	Floating Interest Rate		Non-Interest Bearing		Total	
	2023 $	2022 $	2023 $	2022 $	2023 $	2022 $
Financial Assets:						
Cash	5,068,457	878,976	200	200	5,068,657	879,176
Term deposits	565,000	565,000	-	-	565,000	565,000
Investment portfolio	-	2,778,364	-	-	-	2,778,364
Trade and other receivables	-	-	1,500,745	2,365,115	1,500,745	2,365,115
Total Financial Assets	**5,633,457**	**4,222,340**	**1,500,945**	**2,365,315**	**7,134,402**	**6,587,655**
Financial Liabilities:						
Trade and other payables	-	-	53,224	31,772	53,224	31,772
Total Financial Liabilities	**-**	**-**	**53,224**	**31,772**	**53,224**	**31,772**

Price risk

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

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

NOTE 23 Financial instruments (continued)

2023		Interest rate risk			
		(1%) Net result	(1%) Equity	(1%) Net result	(1%) Equity
Cash and cash equivalents	5,068,457	(50,685)	(50,685)	50,685	50,685
2023		**Other price risk**			
		(5%) Net result	(5%) Equity	(5%) Net result	(5%) Equity
Financial assets	-	-	-	-	-
Total	**5,068,457**	**(50,685)**	**(50,685)**	**50,685**	**50,685**

2022		Interest rate risk			
		(1%) Net result	(1%) Equity	(1%) Net result	(1%) Equity
Cash and cash equivalents	878,976	(8,790)	(8,790)	8,790	8,790
2022		**Other price risk**			
		(5%) Net result	(5%) Equity	(5%) Net result	(5%) Equity
Financial assets	2,778,364	(138,918)	(138,918)	138,918	138,918
Total	**3,657,340**	**(147,708)**	**(147,708)**	**147,708**	**147,708**

NOTE 24 Information to be provided to members of the registrar

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

Information to be provided to members or Commissioner:

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

NOTE 25. Association Details

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

AUSTRALIAN HIGHER EDUCATION INDUSTRIAL ASSOCIATION

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