



28 June 2024

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

Dear Erin Aulich

**Australian Education Union - Victorian Branch
Financial Report for the year ended 31 December 2023 – (FR2023/255)**

I acknowledge receipt of the financial report for the year ended 31 December 2023 for the Australian Education Union - Victorian Branch. The documents were lodged with the Fair Work Commission (the Commission) on 17 June 2024.

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

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

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

Reporting Requirements

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

The Commission recommends that reporting units use these model financial statements to assist in complying with the 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

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH

s.268 Fair Work (Registered Organisations) Act 2009

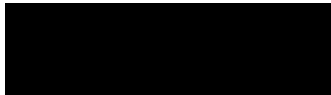
Certificate by prescribed designated officer

Certificate for the year ended 31 December 2023

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

- that the documents lodged herewith are copies of the full report for the Australian Education Union Victorian Branch for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 16 May 2024; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 11 June 2024 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: Erin Aulich

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

Dated: 17 June 2024

**AUSTRALIAN EDUCATION UNION
VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

**Financial Report For The Year Ended
31 December 2023**



**Australian Education Union Victorian Branch
126 Trenerry Crescent, Abbotsford VIC 3067**

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

Financial Report For The Year Ended 31 December 2023

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AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

OPERATING REPORT

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

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

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

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

The work of the AEU in 2023 continued to focus on the achievement of the following strategic objectives:

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

The principal activities of the AEU Victorian Branch during the financial year have focussed on the achievement of these strategic objectives. Campaigning activities were key to pursuing these objectives, in national AEU campaigns as well as state focused activities. These included the Yes to Voice campaign, funding for public education, workforce shortages, and campaigns to support industrial bargaining.

Campaigning for the Yes to Voice Campaign was a key focus of 2023, working in conjunction with AEU Federal, the ACTU, the VTHC, and the Yes23 campaign. The AEU Federal Executive, working jointly with the AEU First Nations committee Yalukit Yulendj, determined to publicly support the Uluru Statement from the Heart, to run a positive campaign with a focus on a strength based discourse, and to create a new federal project officer position to facilitate the AEU campaign work and to work with the broader campaign movement. AEU Victoria's campaign work was led by the union's First Nations project officers, working alongside organisers and leadership.

The AEU employed a range of campaign activities to encourage members to vote yes in the referendum, including social media, direct communications (email/SMS), digital tools, and advertising. AEU Victoria utilised existing meeting structures to meet with members, provide training to members who wanted to participate more actively in the campaign, and conducted phone banks to contact members and discuss support for a yes vote in the referendum. The AEU launched an online 'AEU for Yes' pledge, hosted on the ACTU website, where members and supporters could assert that they were going to vote 'yes' and to sign up to the campaign.

Sadly, the predicted racism and vitriol was manifest throughout the campaign and importantly appropriate steps were taken to support and protect First Nations employees and members. This was also important after the referendum loss.

The major activities of the AEU during 2023, in addition the 'Yes to Voice' campaign, were focused on campaigning for public education in all the sectors we cover, early childhood, schools, and TAFE and adult provision. Campaigning for increased funding for public education continued to be a focus, specifically in the schools and TAFE sectors. Staffing shortages impacted all sectors and the AEU advocated for immediate, short- and long-term solutions as outlined in the AEU Ten Year plan for staffing in public education, first released in 2022.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

OPERATING REPORT (Continued)

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

AEU members, across every sector, stepped up in 2023, despite the impact of these staffing shortages on workloads and leave arrangements for many members. The dedication, resourcefulness, and capacity to adapt has continued with members going above and beyond to deliver high quality education for their students. If there is one upside to what has been a very challenging number of years, it's that AEU members have demonstrated to government and the wider community that teachers, school leaders, and education support staff are among the country's most valuable and essential workers, and that our work, under resourced by governments, is highly skilled, incredibly complex and all too often exhausting. The downsides are unfortunately many, with some schools unable to find the permanent, qualified staff they require to run their programs, inadequate numbers of casual relief teachers available, and negative impacts on the workload of principals, teachers and support staff. In TAFE, shortages have impacted on the workloads of existing teachers, as TAFEs struggle to find the skilled staff required at a time when industry is also facing skill shortages. The ongoing rollout of expanded 3- and 4-year-old kindergarten programs has stretched staffing capacity in Early Childhood (EC), but initiatives to attract new staff have had a positive impact, with scholarships available for EC teaching degrees, and some EC qualifications available through the free TAFE programs. With more than 11,000 teachers and educators required over the next decade, government will need to remain focused on initiatives to attract and retain EC teachers and educators.

Following both a Federal and State election in 2022, various commitments were made by the incoming Albanese Government and the continuing Andrews/Allan Government.

After continued and focused campaigning by the AEU at the national and state level regarding the funding of public schools, both levels of government committed to providing 100% of the Schooling Resource Standard (SRS) to public schools. While this was a significant commitment by both levels of government, the AEU campaigning efforts continued to ensure that political leaders were held to account to deliver the funding required, and to commit to a firm timeline for delivery.

The federal government also made a small commitment to some capital funding for public schools across Australia, albeit our campaign continues to see ongoing capital funding from the federal government for public schools reinstated, as part of the broader 'For Every Child' campaign.

The levels of disadvantage in public education are well known and have been starkly visible for many years. In recent years there has been more awareness of the gross inequity that exists between public and private education when it comes to school funding in this country. Much of the inequity in public education funding that has been exposed in recent years, has added evidence and impetus to our industrial and political campaigns.

Early Childhood

With the introduction of the new Industrial Relations laws, early childhood was the first sector to apply for supported bargaining, with the Fair Work Commission giving authorisation in September 2023. Bargaining has commenced and parties requested for the conferences to be facilitated by a Fair Work Commissioner and for the Commonwealth as the funding body to be at the bargaining table from the commencement of negotiations.

The 3 unions, AEU (through the AEU Victorian Branch), IEU and UWU are seeking a 25% wage increase to the award rates (Educational Services Teachers Award and the Children's Services Award).

Approximately 40 different employers across the country gave consent to be a respondent to the agreement.

We continued to campaign under the banner of Preschool Funding Now, for the introduction of federal funding for preschool education for all three-year-olds, to ensure universal access for all children to two years of early childhood education. While this continues to be rolled out in Victoria, this is not consistent across other States and Territories.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

OPERATING REPORT (Continued)

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

The AEU also continued to work with the Thrive by Five campaign which brings together a broad range of community organisations and unions working together to achieve the objective of ensuring that early childhood education and care is on the national political agenda and the agenda of every state and territory government in Australia. The campaign is seeking to have the value of play based learning recognised, by making Australia's early learning system high-quality, universally accessible and attached to our public education system so every child can benefit.

Schools

The most recent phase of the AEU federal funding campaign, For Every Child was launched in August 2023, building on the previous campaigns, I Give a Gonski, Fair Funding Now and Every School Every Child. This was a key focus of our work in the school sector. The central tenet of this campaign is that every school should be provided the resources to ensure every child gets the best education, regardless of their background or circumstances. The policy priorities of the campaign were to ensure all public schools are resourced to a minimum of 100% of the Schooling Resource Standard (SRS); removing the twenty per cent federal funding cap on the SRS; establishing a capital fund for public schools to upgrade schools, classrooms, and facilities; and providing more support for students with disability through the provision of additional funding. The AEU has been successful in getting both levels of government to commit to funding 100% of the SRS, however currently there is no confirmed time frame to get there.

Victoria coordinated a For Every Child field campaign in the following electorates, Corio, Higgins, Aston, Holt, Chisholm, Hawke, and Ballarat. This field work was part of coordinated field campaigns across targeted seats in all states and territories. This work involved extensive member communications to encourage activism and to sign up and join the campaign, school visits and community events, delegations to MP's, mobile billboards, paid advertising and collecting over 10,000 signed postcards to the Prime Minister.

Victoria was part of a road trip to Canberra, utilising our branded vehicles, joining other states and territories in a convoy to Parliament House, delivering 70,000 postcards to the Prime Minister as part of the action.

The announcement in 2023 by the federal education minister that the current National School Resource Agreement (NSRA) would be extended for a year to the end of 2024, delayed negotiations between the state/territory and federal governments for a new funding agreement to 2024. The 'Review to Inform a Better and Fairer Education System', which was announced in December 2022 by education ministers, proceeded during 2023 with an expert panel appointed to conduct the review. The AEU was represented on a review reference group, which provided input to the expert panel throughout the process.

AEU campaigning efforts during this time included encouraging members to participate in the federal government's review of the funding agreement during 2023, focusing on the need to increase funding and how schools could utilise the funding to support their students. The review was published in December 2023.

The review highlights why it was and continues to be important for the AEU to continue to campaign to achieve full and fair funding for public schools. The review stated that public schools have performed well despite not being funded to the SRS but indicated "it is an obvious and serious inequity that must be addressed". "The Panel was clear in the Report that full funding to 100 per cent of the SRS is a critical prerequisite for successful education reform and student learning and wellbeing improvement across the country."

TAFE

The AEU federal Rebuild with TAFE campaign was the key focus of campaign work in the TAFE sector, alongside campaigning to achieve a new industrial agreement for salaries and conditions for Victorian TAFE teachers.

Every Australian has the right to access high quality vocational education delivered by TAFE as TAFE is the best way to provide this education to large numbers of Australians, given its strong links with industry and wraparound services to give students the extra support they may need. The Federal government focus on jobs and skills, provided a spotlight to promote the need for a strong public TAFE system.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

OPERATING REPORT (Continued)

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

AEU campaigning during the federal and state elections, resulted in both the Albanese and the Andrews/Allan governments committing to guarantee a minimum of 70% of total government funding for vocational education to the public TAFE system. This commitment has been followed through by the federal government, with significant additional funding being allocated in the 2023/24 federal budget. At the state level, legislation is being prepared however has not yet been tabled in parliament.

We continue to call for investment in the TAFE teaching workforce; and to develop a capital investment strategy for TAFE.

National TAFE Day was celebrated on 6 September 2023 with a reception at parliament in Canberra, with union members and supporters. The winner of the inaugural TAFE Photography Competition was also announced at this reception. The winner was Mei Ho from Victoria (Sunraysia TAFE) who took home \$5,000 and a trophy. The finalists of the photography exhibition had their works displayed at Parliament House as part of the TAFE Day activities. While in Canberra Victorian TAFE members were involved in meetings with several MP's including the Minister for Skills and Training, Brendan O'Connor, taking the opportunity to advocate for further investment in TAFE and in the TAFE workforce.

In the Disability sector, the entwined arrangements with the NDIS and our disability members pay and conditions and workplace arrangements have seen an erosion of conditions in this sector. The move by the Albanese government to commission a review of the NDIS has been a welcome first step. The AEU made a submission to the review.

At the State level, post the November 2022 election, we continued our call for improvements for public education, including increased investment by the state government. We worked for most of 2023 with Education Minister Natalie Hutchins, and then after the resignation of Premiers Andrews, Deputy Premier and Minister for Education, Ben Carroll. In Early Childhood, Minister Ingrid Stitt was replaced by Minister Lizzie Blandthorn, and Minister Gayle Tierney, continued in the Jobs and Skills portfolio. This has resulted in a period of establishing new relationships and defining the union priorities for public education.

The AEU Victorian Branch Ten Year Plan for Staffing in Public Education, calling on the Victorian Government to implement a range of immediate, short and long term measures to attract and retain public education staff in all sectors, provided the framework for much of our work in 2023.

This plan calls for a range of action including a retention payment to acknowledge the significant work of staff currently in the system. In addition, we have called on the state government to create incentives and support for pre-service teachers, provide more support for new entrants into the profession including mentoring, ongoing measures to address workload, the allocation of additional support staff, permanently employed CRT staff, along with further incentives to support staff to move into and stay in regional and rural areas.

The workforce shortages have only increased, and the situation for many workplaces is dire, with advertised vacancies remaining high throughout the year in the school sector. Obtaining concrete figures for early childhood, TAFE and Disability sectors is not as straight forward due to the numerous employers, however, we know from members these sectors are also experiencing shortages.

Some small steps have been achieved due to our sustained campaigning, including paid placements for teaching students who undertake placements in selected rural and regional areas and in special schools, scholarships of up to \$18,000 for those enrolling in secondary and combined primary/secondary teaching courses, some measures to increase CRT availability, and to facilitate visas for overseas trained staff. However, the shortages remain consistently high, and this is having an extreme impact on the workload and health of staff as they endeavour to continue to provide high quality education and support for their students. Further and sustained investment is needed by both levels of government to ensure shortages do not continue to impact for many years to come. Particular attention must be paid to existing staff to retain them in schools, whilst new entrants are attracted to the profession.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

OPERATING REPORT (Continued)

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

In the early childhood sector, the roll out of two years of preschool education continues, with measures to address the workforce and infrastructure required to deliver the program key. AEU members were actively involved in the consultation processes put in place to monitor the ongoing rollout and expansion of 3- and 4-year-old kindergarten.

Concerns were raised with the Minister and Department of Education about the move by several local councils that indicated withdrawal from the provision of early childhood services, citing the state government initiatives as the reason. Work also commenced on the delivery of 50 government owned childcare centres, amounting to a \$9 billion investment in the sector, with the first to open in 2025.

Throughout 2023, negotiations for industrial agreements were also at the centre of AEU activity.

Work commenced in 2023 to develop the log of claims for the two major enterprise agreements (Victorian Early Childhood Teachers and Educators Agreement and Early Education Employees Agreement) for the Early Childhood sector, which expire in 2024. Over 50 member meetings were held to provide an opportunity for contributions to be made to the development of the final log of claims. Given these agreements set the benchmark for the rest of the early childhood sector, this log will set the standard for further negotiations with smaller providers in the future. The log of claims was finalised in late 2023 and endorsed by the AEU Early Childhood Sector Council at its December meeting.

The implementation of Victorian Government Schools Agreement (VGSA) continued to be a major focus for 2023. A major piece of work was a dispute, settled via the Fair Work Commission, regarding the implementation of time in lieu arrangements provided for in the VGSA. Agreement was reached around the implementation of time in lieu in relation to school camps. The Department revised their Time in Lieu Guidelines, as well as providing \$130 million for staff payments, a significant measure to address unpaid work. The implementation of the additional hour of planning time proved more streamlined, with schools adjusting staff face to face time reasonably smoothly.

In addition, the continuation of Professional Practice days (PPDs); the quarantining of time for teacher directed work; measures to address administrative burdens for principals associated with OHS and investigation processes, and changes to a range of leave entitlements were embedded in the system. Expanded parental leave provisions, paid ceremonial and cultural leave for First Nations members, the provision of laptops for ES staff, along with an increase to the CRT rates and the development of a CRT handbook, were also secured.

We also spent considerable time working with DE and the Victorian Curriculum and Assessment Authority (VCAA) around the changes to the national curriculum and the resulting impact on the Victorian Curriculum. The roll out of these changes had an unachievable timeline and no funds to support teachers with implementation. The AEU's advocacy successfully secured an extension of time and time release for staff involved in updating the curriculum.

In the TAFE sector, negotiations for a new industrial agreement for TAFE teachers commenced in 2022 and continued through 2023, with no significant progress. The AEU utilised the new federal industrial laws to seek agreement with TAFE employers for a Single Interest Employer Agreement (SIEA). This was not supported by the employers initially. The AEU campaigned with members for a majority support petition to achieve the SIEA. This campaign was successful, with a majority of employees at each of the twelve stand alone TAFEs signing the petition to support moving to a SIEA. The AEU's application before the Fair Work Commission, in light of the majority support petition outcome, was not opposed by the employers, and negotiations have continued for this new form of agreement which allows employees covered by the agreement to take protected industrial action in support of achieving a fair and reasonable offer from employers. Negotiations continued into 2024.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

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OPERATING REPORT (Continued)

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

Campaigns also occurred in the dual sector TAFEs, as their agreements reached an end, with ongoing negotiations at RMIT, Victoria University and Federation University. Despite several attempts by RMIT to put non-union agreements to employees, AEU members campaigned successfully to achieve no votes, thus forcing RMIT back to the negotiation table.

In the TAFE sector, there has been a further expansion to the number of fee-free TAFE courses and extended eligibility to free TAFE to those that have a higher qualification. However, our call to see a new funding model for TAFE to be introduced to ensure TAFEs would be funded to the actual cost of course delivery, remains to be addressed, and will be a key focus in ongoing campaign work.

Negotiations with disability employers included a major focus on the disability services that operated under so called 'zombie' agreements. New federal IR laws called for outdated awards to be renegotiated. The AEU made a submission on behalf of our members in 19 disability services to be rolled in together to negotiate a new MEA. This is under active consideration by the Fair Work Commission. More broadly, negotiations in the disability sector are hampered by the significant underfunding of the sector and the complicated and inadequate NDIS arrangements, which often result in conditions of work and entitlements being undermined.

Throughout 2023, the AEU Victorian Branch has worked with AEU Federal and AEU Branches and members, to improve the professional status of teaching and other education workers in all sectors. We have campaigned for these objectives through advocacy and support for high standards of entry to, and rigorous courses of, Initial Teacher Education, professional autonomy for teachers, the introduction of professional teaching qualifications for TAFE teachers as well as for further recognition through improved remuneration, enhanced career structures and addressing workload for teachers and education workers generally.

The AEU has also successfully enhanced and supported the professional status of AEU members in public education through professional development and training and conferences, with a continuation of some online or hybrid arrangements. This has continued to enable some members who are unable to participate face to face, to still be actively involved in these sessions.

We also support members in their workplaces, with individual support on a range of industrial and professional matters. The AEU Member Support Centre responded to more than 21,000 calls from members about individual and workplace matters, providing advice, and direct support and advocacy where needed. Recruitment, Training and Campaigning organisers provided direct support and advice to sub-branch and workplace representatives in their workplaces, with a focus on recruitment of new members, supporting members to be active and to assist them to develop the skills to take up member issues at the local level. In addition, the industrial workgroup provided direct legal support and advice to members, with the AEU Executive approving considerable expenditure for external legal services, provided to members at no cost. We have also had member representation on professional bodies and directly to employers; and made submissions and appearances before both state and federal inquiries.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

OPERATING REPORT (Continued)

Submissions made by the AEU in 2023

- Submission to the Victorian Government Legislative Council Legal and Social Issues Committee's Inquiry into the state education system in Victoria
- Submission to the Victorian Government on the Victorian Government State Budget 2024-25

Significant changes in financial affairs

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

Right of members to resign

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

The policy of the Victorian Branch is detailed below:

1. A notice of resignation from membership takes effect:-
 - (a) where the member ceases to be eligible to become a member of the Union -
 - (i) on the day on which the notice is received at the office of the Branch Secretary; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later; or
 - (b) in any other case -
 - (i) at the end of 2 weeks after the notice is received at the office of the Branch Secretary; or
 - (ii) on the day specified in the notice;whichever is later.
2. Where a member's resignation from the Union is received but not processed at the time, no disadvantage will be applied when the resignation is processed.
3. The Branch Executive is authorised to vary this policy in exceptional circumstances and upon written request.
4. This policy is available on the AEU website.

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

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

OPERATING REPORT (Continued)

Branch Executive members for 2023 and period positions held during the year

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

NAME	
AULICH Erin	
BRYAN Kay	From 1/01/2023
BURTON Tanya	
COLES Simon	From 1/01/2023
DERRICK Lee-Ann	Resigned 15/05/2023
D'ORTENZIO Marino	
FEWKES Rebekah	
FISCHER Debra	
GILLESPIE Elaine	
HARRIS Justin	
HOLLEY Seir	
HUMPHRIES Ann (Jessie)	
KOLBER Jemina	
MANSFIELD Meagan	From 16/06/2023
MARTIN Keith	
MASIERO Antoinette	
MULLALY Justin	
NIGHTINGALE Cara	
PACE Michael	
PEACE Meredith	
PONTIKIS Mary-Anne	
RATJE Heidi	
RIGONI Anthony	
STOKES Briley	
TENSON Katrina	
WARING-DALLWITZ Claire	From 1/01/2023
WRIGHT Shane	

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
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OPERATING REPORT (Continued)

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

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

Dean Glare

Angela Stringer

Both are directors of the Emergency Services & State Super Board.

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

Antoinette Masiero is a director of the Aware Super Board.

Number of members

The number of persons who, at the end of the financial year, were recorded in the register of members and who are taken to be members of the Branch was 42,869 (financial and unfinancial).

Number of employees

The numbers of persons who were, at the end of the financial year, employees of the Branch including both full time and part time employees measured on a full time basis was 90.5.



Signature of designated officer

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

Dated: 13/05/2024

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

COMMITTEE OF MANAGEMENT STATEMENT

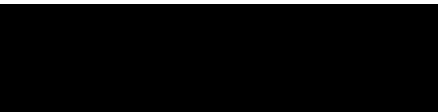
for the year ended 31 December 2023

On 13 May 2024 the AEU Victorian Branch Executive of the Australian Education Union Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2023:

The AEU Victorian Branch Executive declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or the General Manager duly made under section 272 of the RO Act, that information has been provided to the member or the General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Signature of designated officer

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

Dated: 13/05/2024

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2023

		Consolidated		Parent	
	Notes	2023	2022	2023	2022
		\$	\$	\$	\$
Revenue from contracts with customers					
Membership subscription		22,999,341	25,163,278	22,999,332	25,163,268
Capitation fees		-	-	-	-
Levies	3A	980,947	1,078,343	980,947	1,078,343
Total revenue from contracts with customers	3	23,980,288	26,241,621	23,980,279	26,241,611
Income for furthering objectives					
Grants and donations	3B	226,666	226,667	-	-
Total income for furthering objectives		226,666	226,667	-	-
Other Income					
Interest	3C	297,897	109,761	297,897	109,761
Rental revenue	3D	690,877	635,000	690,877	635,000
Training revenue	3E	133,127	27,336	-	-
Other revenue	3F	275,941	411,330	323,041	460,560
Total other income		1,397,842	1,183,427	1,311,815	1,205,321
Total income		25,604,796	27,651,715	25,292,094	27,446,932
Expenses					
Employee expenses	4A	16,875,427	16,151,093	16,710,352	15,968,201
Capitation fees	4B	2,542,716	2,554,933	2,542,716	2,554,933
Affiliation fees	4C	282,572	363,633	282,572	363,633
Administration expenses	4D	4,455,289	4,598,280	4,452,869	4,596,993
Grants and donations	4E	171,399	184,069	171,399	184,069
Depreciation and amortisation	4F	1,309,985	1,283,848	1,309,985	1,283,848
Finance costs	4G	66,512	149,471	66,512	149,471
Legal costs	4H	880,513	880,614	880,513	880,614
Training expenses	4I	136,655	27,558	-	-
Audit fees	14	23,879	22,550	20,559	18,600
Total expenses		26,744,947	26,216,049	26,437,477	26,000,362
(Loss) Profit for the year before tax		(1,140,151)	1,435,666	(1,145,383)	1,446,570
Income tax expenses		-	-	-	-
(Loss) Profit for the year		(1,140,151)	1,435,666	(1,145,383)	1,446,570
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		(1,140,151)	1,435,666	(1,145,383)	1,446,570

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

	Notes	Consolidated		Parent	
		2023	2022	2023	2022
		\$	Restated* \$	\$	Restated* \$
ASSETS					
Current assets					
Cash and cash equivalents	5A	2,878,836	4,191,392	2,839,228	4,145,339
Trade and other receivables	5B	1,563,816	1,453,787	1,489,078	1,378,843
Other current assets	5C	901,176	1,519,684	900,912	1,519,542
Other financial assets	5D	6,702,335	6,516,934	6,702,335	6,516,934
Inventories	5E	86,575	89,907	86,575	89,907
Total current assets		12,132,738	13,771,704	12,018,128	13,650,565
Non-current assets					
Land and buildings	6A	17,128,304	17,384,799	17,128,304	17,384,799
Plant and equipment	6B	709,303	972,673	709,303	972,673
Right-of-use assets	6C	1,414,970	986,066	1,414,970	986,066
Investment property	6D	8,436,328	8,562,661	8,436,328	8,562,661
Intangibles	6E	267,195	142,902	267,195	142,902
Total non-current assets		27,956,100	28,049,101	27,956,100	28,049,101
Total assets		40,088,838	41,820,805	39,974,228	41,699,666
LIABILITIES					
Current liabilities					
Trade payables	7A	729,271	494,283	729,271	492,415
Other payables	7B	403,581	585,579	393,617	575,710
Borrowings	7C	-	84,951	-	84,951
Right-of-use liabilities	7D	427,710	408,259	427,710	408,259
Employee provisions	8A	1,709,894	1,563,905	1,701,061	1,532,537
Total current liabilities		3,270,456	3,136,977	3,251,659	3,093,872
Non-current liabilities					
Employee provisions	8A	2,381,424	2,263,264	2,368,877	2,263,264
Borrowings	9A	-	1,340,396	-	1,340,396
Right-of-use liabilities	7D	1,013,102	516,161	1,013,102	516,161
Total non-current liabilities		3,394,526	4,119,821	3,381,979	4,119,821
Total liabilities		6,664,982	7,256,798	6,633,638	7,213,693
Net assets		33,423,856	34,564,007	33,340,590	34,485,973
MEMBERS' FUNDS					
Retained profits	10A	33,423,856	34,564,007	33,340,590	34,485,973
Total members' funds		33,423,856	34,564,007	33,340,590	34,485,973

* - see note 17 for details regarding the restatement as a result of re-classification.

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

Consolidated	Retained earnings \$	Total equity \$
Balance as at 1 January 2022	33,128,341	33,128,341
Profit for the year	1,435,666	1,435,666
Closing balance at 31 December 2022	34,564,007	34,564,007
(Loss) for the year	(1,140,151)	(1,140,151)
Closing balance at 31 December 2023	33,423,856	33,423,856

Parent	Retained earnings \$	Total equity \$
Balance as at 1 January 2022	33,039,403	33,039,403
Profit for the year	1,446,570	1,446,570
Closing balance at 31 December 2022	34,485,973	34,485,973
(Loss) for the year	(1,145,383)	(1,145,383)
Closing balance at 31 December 2023	33,340,590	33,340,590

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

CASHFLOW STATEMENT

for the year ended 31 December 2023

	Notes	Consolidated		Parent	
		2023	2022 Restated*	2023	2022 Restated*
		\$	\$	\$	\$
OPERATING ACTIVITIES					
Cash received					
Interest		253,986	53,851	253,986	53,851
Membership receipts		26,214,711	29,031,959	26,214,702	29,031,949
Rental receipts		885,993	757,123	885,993	757,123
Receipts from other reporting units / controlled entity(s)	11C	39,334	19,851	94,180	76,545
Grant received		249,333	249,334	-	-
Other		250,905	418,354	112,863	390,822
Cash used					
Employee costs		(16,609,221)	(15,687,938)	(16,434,157)	(15,520,053)
Suppliers		(7,201,923)	(8,637,752)	(7,037,544)	(8,592,909)
Interest paid		(66,512)	(149,472)	(66,512)	(149,472)
Payment to other reporting units/controlled entity(s)	11C	(3,017,822)	(3,024,281)	(3,018,282)	(3,024,281)
Net cash from operating activities	11B	998,784	3,031,029	1,005,229	3,023,575
INVESTING ACTIVITIES					
Cash used					
Purchase of intangibles		(200,515)	(42,410)	(200,515)	(42,410)
Purchase of property, plant and equipment		(1,016,469)	(1,475,176)	(1,016,469)	(1,475,176)
Reinvestment of interest		(185,401)	(40,980)	(185,401)	(40,980)
Net cash (used by) investing activities		(1,402,385)	(1,558,566)	(1,402,385)	(1,558,566)
FINANCING ACTIVITIES					
Cash used					
Repayment of bank loan		(1,425,347)	(3,167,373)	(1,425,347)	(3,167,373)
Lease liabilities - new		994,797	1,107,930	994,797	1,107,930
Repayment of lease liabilities		(478,405)	(504,450)	(478,405)	(504,450)
Net cash (used by) financing activities		(908,955)	(2,563,893)	(908,955)	(2,563,893)
Net (decrease) in cash held		(1,312,556)	(1,091,430)	(1,306,111)	(1,098,884)
Cash & cash equivalents at the beginning of the reporting period		4,191,392	5,282,822	4,145,339	5,244,223
Cash & cash equivalents at the end of the reporting period	11A	2,878,836	4,191,392	2,839,228	4,145,339

* - see note 17 for details regarding the restatement as a result of re-classification.

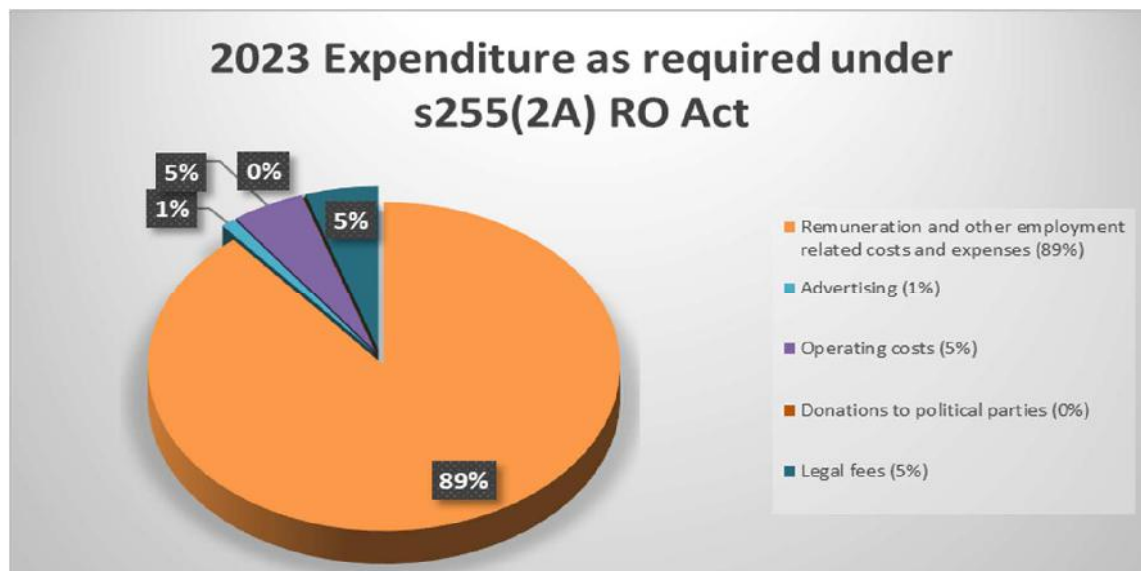
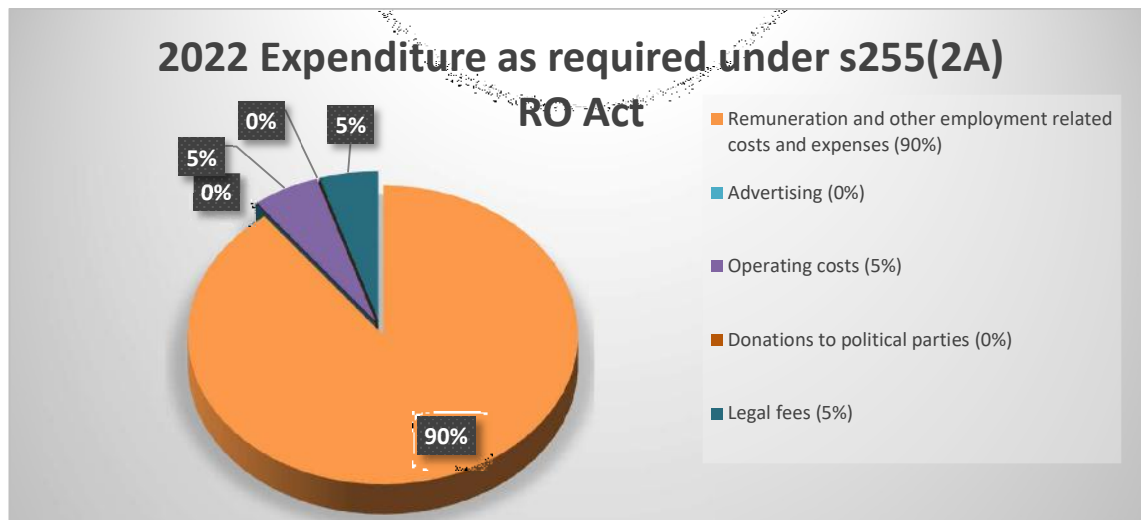
**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

REPORT REQUIRED UNDER SUBSECTION 255(2A)

for the year ended 31 December 2023

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Reporting Unit for the year ended 31 December 2023.



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

[Redacted Signature Area]

Signature of designated officer

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

Dated: 13/05/2024

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

ABN: 44 673 398 674

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

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AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1 Summary of material accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Significant accounting judgements and estimates

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

1.3 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2023:

- AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments* [AASB 1, AASB 3, AASB 9, AASB 116, AASB 137 & AASB 141].
- Material accounting policy information

The Group also adopted Disclosure of Accounting Policies (Amendments to AASB 101) from 1 January 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements. Management reviewed the accounting policies and made updates to the information disclosed in Note 1 Summary of material accounting policies (2022: Summary of significant accounting policies) in certain instances in line with the amendments.

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

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITY**

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Note 1 Summary of material accounting policies (Continued)

1.3 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2023 reporting periods and have not been early adopted by the group. These standards, amendments or interpretations are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

AASB 2023-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

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

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

1.4 Basis of consolidation

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

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

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

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

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1 Summary of material accounting policies (Continued)

1.4 Basis of consolidation (Continued)

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

1.5 Investment in associates and joint arrangements

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

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

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

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

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

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Note 1 Summary of material accounting policies (Continued)

1.6 Business combinations

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

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

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

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

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

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

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

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

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

Note 1 Summary of material accounting policies (Continued)

1.8 Revenue

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

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

Revenue from contracts with customers

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

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

Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the branch. If there is only one distinct membership service promised in the arrangement, the branch recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the branch's promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, the branch allocates the transaction price to each performance obligation based on the relative standalone selling prices of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that the branch charges for that good or service in a standalone sale. When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), the branch recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

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

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

Interest income

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

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Note 1 Summary of material accounting policies (Continued)

1.8 Revenue (Continued)

Rental income

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

1.9 Government grants

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

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

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

1.10 Gains

Sale of assets

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

1.11 Capitation fees and levies

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

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Note 1 Summary of material accounting policies (Continued)

1.12 Employee benefits

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

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

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

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

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

1.13 Leases

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

Consolidated entity as a lessee

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

Right-of-use assets

The consolidated entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. If ownership of the leased asset transfers to the consolidated entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 1 Summary of material accounting policies (Continued)

1.13 Leases (Continued)

Lease liabilities

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

In calculating the present value of lease payments, the consolidated entity uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.14 Borrowing costs

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

1.15 Cash

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

1.16 Financial instruments

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

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Note 1 Summary of material accounting policies (Continued)

1.17 Financial assets

Contract assets and receivables

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

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

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

Initial recognition and measurement

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

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the consolidated entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the consolidated entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

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

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

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

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Note 1 Summary of material accounting policies (Continued)

1.17 Financial assets (Continued)

Subsequent measurement

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

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

Financial assets at amortised cost

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

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

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

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

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

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

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the consolidated entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The consolidated entity elected to classify irrevocably its listed and non-listed equity investments under this category.

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Note 1 Summary of material accounting policies (Continued)

1.17 Financial assets (Continued)

Derecognition

A financial asset is derecognised when:

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

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

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

Offsetting

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

Impairment

(i) Trade receivables

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

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

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Note 1 Summary of material accounting policies (Continued)

1.17 Financial assets (Continued)

Impairment

(ii) Debt instruments other than trade receivables

For all debt instruments other than trade receivables and debt instruments not held at fair value through profit or loss, the consolidated entity recognises an allowance for expected credit losses using the general approach. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the consolidated entity expects to receive, discounted at an approximation of the original effective interest rate.

ECLs are recognised in two stages:

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

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

1.18 Financial Liabilities

Initial recognition and measurement

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

Subsequent measurement

Financial liabilities at amortised cost

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

Derecognition

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

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Note 1 Summary of material accounting policies (Continued)

1.19 Liabilities relating to contracts with customers

Contract liabilities

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

Refund liabilities

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

1.20 Contingent liabilities and contingent assets

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

1.21 Land and buildings

Asset recognition threshold

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

Depreciation

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

Derecognition

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

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Note 1 Summary of material accounting policies (Continued)

1.22 Plant and equipment

Asset recognition threshold

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

Depreciation

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

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

	2023	2022
Plant and equipment	3 years	3 years

Derecognition

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

1.23 Investment property

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

Depreciation

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

Derecognition

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

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Note 1 Summary of material accounting policies (Continued)

1.24 Intangibles

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

	2023	2022
Intangibles	20 - 30%	20 - 30%

Derecognition

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

1.25 Impairment for non-financial assets

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

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

1.26 Taxation

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

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

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

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Note 1 Summary of material accounting policies (Continued)

1.27 Fair value measurement

The consolidated entity measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

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

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

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

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

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

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

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

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Note 1 Summary of material accounting policies (Continued)

1.28 Going Concern

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

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

Note 2 Events after the reporting period

No other matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

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

Type of customer				
- members	23,980,288	26,241,621	23,980,279	26,241,621
Total revenue from contracts with customers	23,980,288	26,241,621	23,980,279	26,241,621

Disaggregation of income for furthering activities

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

Income funding sources				
- other parties	226,666	226,667	-	-
Total income for furthering activities	226,666	226,667	-	-

Note 3A: Levies

Public Education Campaign Levy	980,947	1,078,343	980,947	1,078,343
Total levies	980,947	1,078,343	980,947	1,078,343

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

Note 3B: Grants and donations

Grants – government	226,666	226,667	-	-
Total grants and donations	226,666	226,667	-	-

Note 3C: Interest

Bank Deposits	297,897	109,761	297,897	109,761
Total interest	297,897	109,761	297,897	109,761

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 3 Revenue and Income (Continued)				
Note 3D: Rental revenue				
Properties	690,877	635,000	690,877	635,000
Total rental revenue	690,877	635,000	690,877	635,000
Note 3E: Training revenue				
Course revenue	133,127	27,336	-	-
Total training revenue	133,127	27,336	-	-
Note 3F: Other revenue				
Revenue from undertaking recovery of wages activity	-	-	-	-
Financial support from another reporting unit	-	-	-	-
Reimbursements received	116,201	99,739	163,301	149,310
Bequest	2,657	3,388	2,657	3,388
Legal settlements	-	121,636	-	121,636
Congestion levy refund	-	109,418	-	109,418
Reimbursement received from AEU Federal Office	87,768	327	87,768	327
Other	69,315	76,822	69,315	76,481
Total other revenue	275,941	411,330	323,041	460,560

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 4 Expenses				
Note 4A: Employee expenses				
Holders of office:				
Wages and salaries	1,517,480	1,476,454	1,517,480	1,476,454
Superannuation	248,481	241,854	248,481	241,854
Leave and other entitlements	278,866	117,148	278,866	117,148
Separation and redundancies	-	-	-	-
Other employee expenses	150,921	135,197	150,921	135,197
Subtotal employee expenses holders of office	2,195,748	1,970,653	2,195,748	1,970,653
Employees other than office holders:				
Wages and salaries	11,549,402	11,146,096	11,404,302	11,006,148
Superannuation	1,873,728	1,783,663	1,850,094	1,760,565
Leave and other entitlements	77,305	155,942	87,294	140,935
Separation and redundancies	50,697	-	50,697	-
Payments of professional subscription to AEU Federal Office	-	1,919	-	1,919
Other employee expenses	1,128,547	1,092,820	1,122,217	1,087,981
Subtotal employee expenses employees other than office holders	14,679,679	14,180,440	14,514,604	13,997,548
Total employee expenses	16,875,427	16,151,093	16,710,352	15,968,201

Note 4B: Capitation fees & Levies

<i>AEU Federal Office</i>				
- Capitation fee	1,735,154	1,723,094	1,735,154	1,723,094
- Publication Levy – (A) Aust Educator	174,120	177,399	174,120	177,399
- Publication Levy – (B) TAFE Teacher	8,326	9,200	8,326	9,200
- Public Education Levy	192,048	196,420	192,048	196,420
- ACTU Subscriptions	314,478	321,638	314,478	321,638
- Education International	118,590	127,182	118,590	127,182
Total capitation fees & levies	2,542,716	2,554,933	2,542,716	2,554,933

Nature of fee & levies

Capitation Fee - Contribution to operating costs

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

Public Education Levy - Contribution to general campaigning issues

ACTU Subscriptions - Contribution to operating costs

Education International - Contribution to funding of overseas programs

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 4C: Affiliation fees				
Ballarat Trades Hall Council	5,012	3,311	5,012	3,311
Bendigo Trades Hall Council	11,392	8,725	11,392	8,725
Geelong Trades Hall Council	7,902	7,452	7,902	7,452
Gippsland Trades Hall Council	12,749	6,234	12,749	6,234
Goulburn Valley Trades Hall Council	2,400	2,400	2,400	2,400
North East Trades Hall Council	4,614	3,100	4,614	3,100
South West Trades Hall Council	3,000	2,812	3,000	2,812
Sunraysia Trades Hall Council	780	957	780	957
Victorian Trades Hall Council	234,723	328,642	234,723	328,642
Total affiliation fees	282,572	363,633	282,572	363,633
Note 4D: Administration expenses				
Accounting services & subscriptions	25,996	6,617	24,827	6,165
Bank fees and charges	195,463	250,550	194,212	250,550
Conferences and meeting expenses	555,689	544,213	555,689	544,213
Total paid to employers for payroll deductions of membership subscriptions	-	-	-	-
Contribution to AEU Federal Office – International Trust Fund	183,700	181,600	183,700	181,600
Fees/allowances - meeting and conferences	3,864	6,452	3,864	6,452
Information communications technology	763,755	868,522	763,755	868,522
Lease and rental costs	-	70,992	-	70,992
Member Services	181,290	69,138	181,290	69,138
Member Services – campaigns	555,143	536,455	555,143	536,455
Office expenses	16,228	38,347	16,228	38,347
Others	232,177	248,691	232,177	247,856
Penalties - via RO Act or the Fair Work Act 2009	-	-	-	-
Property expenses - leased	68,164	79,467	68,164	79,467
Property expenses - owned	908,366	771,789	908,366	771,789
Publications & members communication	765,454	925,447	765,454	925,447
Total administration expenses	4,455,289	4,598,280	4,452,869	4,596,993

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	2023	2022	2023	2022
	\$	\$	\$	\$
Note 4E: Grants and donations				
Grants:				
Total paid that were \$1,000 or less	-	-	-	-
Total paid that exceeded \$1,000	120,000	100,000	120,000	100,000
Donations:				
Total paid that were \$1,000 or less	3,930	52,349	3,930	52,349
Total paid that exceeded \$1,000	47,469	31,720	47,469	31,720
Total grants and donations	171,399	184,069	171,399	184,069
Note 4F: Depreciation and amortisation				
Depreciation				
Property, plant and equipment	1,233,763	1,141,915	1,233,763	1,141,915
Total depreciation	1,233,763	1,141,915	1,233,763	1,141,915
Amortisation				
Intangibles	76,222	141,933	76,222	141,933
Total amortisation	76,222	141,933	76,222	141,933
Total depreciation and amortisation	1,309,985	1,283,848	1,309,985	1,283,848
Note 4G: Finance costs				
Mortgage Loan	15,726	107,627	15,726	107,627
Lease interest – right-of-use assets	50,786	41,844	50,786	41,844
Total finance costs	66,512	149,471	66,512	149,471
Note 4H: Legal costs				
Litigation	815,221	850,276	815,221	850,276
Other legal matters	65,292	30,218	65,292	30,218
Payments of legal subscription to AEU Federal Office	-	120	-	120
Total legal costs	880,513	880,614	880,513	880,614
Note 4I: Training expenses				
Facilitators & Presenters	129,795	26,391	-	-
Travel expenses	300	-	-	-
Venue Hire & Catering	6,560	1,167	-	-
Total training expenses	136,655	27,558	-	-

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 5				
Current assets				
Note 5A: Cash and cash equivalents				
Cash at bank *	1,597,959	1,596,738	1,558,351	1,550,685
Short term deposits	1,280,877	2,594,654	1,280,877	2,594,654
Total cash and cash equivalents	2,878,836	4,191,392	2,839,228	4,145,339

* - see note 17 for details regarding the restatement as a result of re-classification.

Note 5B: Trade and other receivables

Receivables from other reporting unit

AEU Federal Office	117,516	1,359	117,516	1,359
Less allowance for expected credit losses	-	-	-	-
Receivable from other reporting unit	117,516	1,359	117,516	1,359

Other receivables:

Other receivables	1,446,300	1,452,428	1,371,562	1,377,484
Total other receivables	1,446,300	1,452,428	1,371,562	1,377,484
Total trade and other receivables (net)	1,563,816	1,453,787	1,489,078	1,378,843

Note 5C: Other current assets

Prepayments	901,176	1,519,684	900,912	1,519,542
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Note 5D: Other financial assets

Term deposits *	6,702,335	6,516,934	6,702,335	6,516,934
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* - see note 17 for details regarding the restatement as a result of re-classification.

Note 5E: Inventory

Inventory	86,575	89,907	86,575	89,907
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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 6				
Non-current assets				
Note 6A: Land and buildings				
Land and buildings:				
At cost	17,897,788	17,897,788	17,897,788	17,897,788
Accumulated depreciation and impairment	(769,484)	(512,989)	(769,484)	(512,989)
Total land and buildings	17,128,304	17,384,799	17,128,304	17,384,799

Reconciliation of the opening and closing balances of land and buildings

Net book value 1 January	17,384,799	17,641,293	17,384,799	17,641,293
Depreciation	(256,495)	(256,494)	(256,495)	(256,494)
Net book value 31 December	17,128,304	17,384,799	17,128,304	17,384,799

The property at 126 Trenerry Crescent Abbotsford is split in this financial report between land and buildings for own-use component and land and buildings for investment rental income component, the combined book value being \$25,564,632 as at 31 December 2023. The property is not required by Accounting Standards to be revalued to market value. The property as a whole was appraised as at 31 December 2023 at between \$30 million and \$32 million by licensed estate agent Mr David Bourke of Fitzroys Pty Ltd. No material change has occurred in that appraisal to the date of this financial report.

The land and building (including the Investment Property) was used as security for a bank loan of the AEU-Victorian Branch in 2022 amounting to \$1.4 million. The bank loan was repaid in 2023.

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 6 Non-current assets (Continued)				
Note 6B: Plant and equipment				
Plant and equipment:				
at cost	1,782,266	1,760,594	1,782,266	1,760,594
accumulated depreciation	(1,072,963)	(787,921)	(1,072,963)	(787,921)
Total plant and equipment	709,303	972,673	709,303	972,673

Reconciliation of the opening and closing balances of plant and equipment

Net book value 1 January	972,673	933,318	972,673	933,318
Additions	21,672	367,247	21,672	367,247
Disposals	-	-	-	-
Depreciation expense	(285,042)	(327,892)	(285,042)	(327,892)
Net book value 31 December	709,303	972,673	709,303	972,673

Note 6C: Right-of-use assets

Right-of-use assets:				
at cost	3,295,039	2,300,242	3,295,039	2,300,242
accumulated depreciation	(1,880,069)	(1,314,176)	(1,880,069)	(1,314,176)
Total right-of-use assets	1,414,970	986,066	1,414,970	986,066

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

Net book value 1 January	986,066	309,333	986,066	309,333
Net Additions	994,797	1,107,929	994,797	1,107,929
Depreciation expense	(565,893)	(431,196)	(565,893)	(431,196)
Net book value 31 December	1,414,970	986,066	1,414,970	986,066

Right-of-use assets consist of:

Offices	52,512	105,638	52,512	105,638
Equipment	48,919	73,378	48,919	73,378
Motor vehicles	1,313,539	807,050	1,313,539	807,050
	1,414,970	986,066	1,414,970	986,066

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 6D: Investment property				
Investment property:				
at cost	8,815,327	8,815,327	8,815,327	8,815,327
accumulated depreciation	(378,999)	(252,666)	(378,999)	(252,666)
Total plant and equipment	8,436,328	8,562,661	8,436,328	8,562,661
Opening balance as at 1 January	8,562,661	8,688,994	8,562,661	8,688,994
Depreciation	(126,333)	(126,333)	(126,333)	(126,333)
Closing balance as at 31 December	8,436,328	8,562,661	8,436,328	8,562,661

The Branch occupies 67% of the office space at 126 Trenerry Crescent Abbotsford VIC with 33% (2022: 33%) available for tenancy. As a result, 33% of the value of 126 Trenerry Crescent is classified as an investment property.

Amounts recognised in statement of comprehensive income for investment properties

Rental income	690,877	635,000	690,877	635,000
Direct operating expenses from property that generated rental income	426,094	381,023	426,094	381,023
Direct operating expenses from property that did not generate rental income	-	-	-	-

Note 6E: Intangibles

Information Technology Systems				
At cost	2,922,857	2,722,343	2,922,857	2,722,343
Accumulated amortisation	(2,655,662)	(2,579,441)	(2,655,662)	(2,579,441)
Total intangibles	267,195	142,902	267,195	142,902

Reconciliation of the opening and closing balances of intangibles

Net book value 1 January	142,902	242,425	142,902	242,425
Additions	200,515	42,410	200,515	42,410
Amortisation	(76,222)	(141,933)	(76,222)	(141,933)
Net book value 31 December	267,195	142,902	267,195	142,902

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 7	Current liabilities			
Note 7A: Trade payables				
Trade creditors and accruals	671,632	441,003	671,632	439,135
Legal costs – litigation	35,106	53,280	35,106	53,380
Legal costs – other matters	7,176	-	7,176	-
Subtotal trade creditors	713,914	494,283	713,914	492,415
Payables to other reporting unit				
AEU Federal Office	14,967	-	14,967	-
AEU New South Wales Teachers Federation (NSWTF)	390	-	390	-
	15,357	-	15,357	-
Total trade payables	729,271	494,283	729,271	492,415
Note 7B: Other payables				
Payable to employers for making payroll deductions of membership subscriptions	-	-	-	-
Prepayments received/unearned revenue	53,606	177,589	53,606	177,589
GST payable	113,943	123,479	108,275	117,860
FBT payable	28,289	18,229	28,289	18,229
PAYG payable	137,665	151,473	137,665	151,473
Other	70,078	114,809	65,782	110,559
Total other payables	403,581	585,579	393,617	575,710
Total other payables are expected to be settled in:				
No more than 12 months	403,581	585,579	393,617	575,710
More than 12 months	-	-	-	-
Total other payables	403,581	585,579	393,617	575,710

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 7 Current liabilities (Continued)				
Note 7B: Other payables (Continued)				
Contract balances				
The following table provides information about receivables and contract liabilities from contracts with customers				
Membership receivables	804,729	779,979	804,729	779,979
Membership fees received in advance	53,606	177,589	53,606	177,589
<i>Membership fees in advance represent advance consideration received from members.</i>				
Significant changes in contract balances during the period are as follows:				
Revenue recognised that would include in the prepayments received/unearned revenue balances at beginning of period.	177,589	58,625	177,589	58,625
Increase due to cash received, excluding amounts recognised as revenue during the period	(53,606)	(177,589)	(53,606)	(177,589)
Note 7C: Borrowings				
Bank mortgage loan	-	84,951	-	84,951
Total borrowings	-	84,951	-	84,951
Note 7D: Right-of-use liabilities				
Current	427,710	408,259	427,710	408,259
Non-current	1,013,102	516,161	1,013,102	516,161
Total right-of-use liabilities	1,440,812	924,420	1,440,812	924,420

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 7	Current liabilities (Continued)			
Note 7D: Lease liabilities (Continued)				
The movement of the carrying amounts of the lease liabilities associated with the right of use assets:				
As at 1 January	924,420	320,940	924,420	320,940
Addition	994,797	1,107,929	994,797	1,107,929
Interest	50,786	41,844	50,786	41,844
Payments	(529,191)	(546,293)	(529,191)	(546,293)
As at 31 December	1,440,812	924,420	1,440,812	924,420
Note 8	Provisions			
Note 8A: Employee provisions				
Office Holders:				
Annual leave	447,694	308,037	447,694	308,037
Long service leave	470,497	331,289	470,497	331,289
Separations and redundancies	-	-	-	-
Other	-	-	-	-
Subtotal employee provisions - office holders	918,191	639,326	918,191	639,326
Employees other than office holders:				
Annual leave	1,262,200	1,247,783	1,253,367	1,224,500
Long service leave	1,910,927	1,940,060	1,898,380	1,931,975
Separations and redundancies	-	-	-	-
Other	-	-	-	-
Subtotal employee provisions - employees other than office holders	3,173,127	3,187,843	3,151,747	3,156,475
Total employee provisions	4,091,318	3,827,169	4,069,938	3,795,801
Current	1,709,894	1,563,905	1,701,061	1,532,537
Non-current	2,381,424	2,263,264	2,368,877	2,263,264
Total employee provisions	4,091,318	3,827,169	4,069,938	3,795,801

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 9	Non-current liabilities			
Note 9A: Borrowings				
Bank Mortgage Loan	-	1,340,396	-	1,340,396
Total Borrowings	-	1,340,396	-	1,340,396

Note 10 **Members' Funds**

Note 10A: Retained profits

Retained earnings at start of year	34,564,007	33,128,341	34,485,973	33,039,403
(Loss) for the year	(1,140,151)	1,435,666	(1,145,383)	1,446,570
Retained earnings at end of year	33,423,856	34,564,007	33,340,590	34,485,973

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

Note 11 **Cash flow**

Note 11A: Cash flow reconciliation

**Reconciliation of cash and cash equivalents as per Statement of
Financial Position to Cashflow Statement:**

Cash and cash equivalents as per:

Cashflow statement	2,878,836	4,191,392	2,839,228	4,145,339
Statement of Financial Position	2,878,836	4,191,392	2,839,228	4,145,339
Difference	-	-	-	-

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 11 Cash flow (Continued)				
Note 11B: Cash flow reconciliation				
Reconciliation of (loss) profit to net cash from operating activities:				
(Loss) Profit for the year	(1,140,151)	1,435,666	(1,145,383)	1,446,570
Adjustments for non-cash items				
Depreciation/amortisation	1,309,985	1,283,848	1,309,985	1,283,848
Changes in assets/liabilities				
Decrease (Increase) in net receivables	(110,029)	6,430	(110,235)	6,574
Decrease (Increase) in inventories	3,332	(10,070)	3,332	(10,070)
Decrease (Increase) in prepayments	618,508	(299,679)	618,629	(301,528)
Increase in supplier payables	176,973	195,318	178,747	193,672
Increase (Decrease) in other payables	(123,983)	118,964	(123,983)	118,964
Increase in employee provisions	264,149	300,552	274,137	285,545
Net cash from operating activities	998,784	3,031,029	1,005,229	3,023,575

Note 11C: Cash flow information

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

Cash inflows - operating				
<i>AEU Federal Office</i>	39,334	19,851	39,334	19,851
<i>AEU Education Services Inc</i>	-	-	54,846	56,694
Total cash inflows	39,334	19,851	94,180	76,545
Cash outflows - operating				
<i>AEU Federal Office</i>	2,814,777	2,824,521	2,814,777	2,824,521
<i>AEU Federal Office – International Trust Fund</i>	202,070	199,760	202,070	199,760
<i>AEU New South Wales Teachers Federation (NSWTF)</i>	975	-	975	-
<i>AEU Education Services Inc</i>	-	-	460	-
Total cash outflows	3,017,822	3,024,281	3,018,282	3,024,281

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Note 12 Contingent liabilities, assets and commitments

Note 12A: Commitments and contingencies

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Operating lease commitments - as lessor				
Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2023 are as follows:				
Within one year	509,715	493,415	509,715	493,415
After one year but not more than five years	1,110,081	1,619,796	1,110,081	1,619,796
After five years	-	-	-	-
	1,619,796	2,113,211	1,619,796	2,113,211

Capital commitments

At 31 December 2023 the entity has no significant capital commitments.

Other contingent assets or liabilities

Funding of Members legal fees

As part of its services provided to members the AEU – Victorian Branch funds certain legal cases on behalf of its members. Funding is approved in advance on a case by case basis. As the exact amount of related legal costs are unknown as at the year end, they are expensed when they are actually paid. The total amount of funding approved but not yet paid for as at 31 December 2023 is approximately \$2.54M (2022: \$2.24M).

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Consolidated		Parent	
2023	2022	2023	2022
\$	\$	\$	\$

Note 13 Related party disclosures

Note 13A: Related party transactions for the reporting period

Subsidiaries

The group's principal subsidiaries at 31 December 2023 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Principal activities	Group equity holding	Group equity holding
			2023	2022
AEU Education Services Incorporated	Australia	Training	100%	100%

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

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

Income received:

AEU Education Services Incorporated – Salary

Reimbursement	-	-	47,100	49,570
Teacher Learning Network – Rent	2,040	2,040	2,040	2,040
AEU Federal Office – reimbursement received	136,292	327	136,292	327

Expenses paid:

Teacher Learning Network – Grant	120,000	100,000	120,000	100,000
Teacher Learning Network – Conference Expenses	9,770	3,482	9,770	3,482
AEU Federal Office – Expense Reimbursements	35,664	3,069	35,664	3,069
AEU Federal Office – Contribution to International Trust Fund	183,700	181,600	183,700	181,600
AEU Federal Office – Capitation fees and levies	2,542,716	2,554,933	2,542,716	2,554,933

The Teacher Learning Network Incorporated is an association established and sponsored by the Australian Education Union – Victoria Branch and the Independent Education Union – Victoria/Tasmania to promote and deliver professional development for teachers for which the Secretary and Deputy Secretary of the Australian Education Union are amongst the Association's office-bearers. The incorporated association is not considered to be a controlled entity and, therefore, is not a subsidiary for consolidation purposes.

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 13	Related party disclosures (Continued)			
Note 13B: Key management personnel remuneration for the reporting period				
Short-term employee benefits				
Salary (including annual leave taken)	1,459,360	1,341,853	1,459,360	1,341,853
Annual leave accrued	197,778	193,883	197,778	193,883
Other	150,921	135,197	150,921	135,197
Total short-term employee benefits	1,808,059	1,670,933	1,808,059	1,670,933
Post-employment benefits:				
Superannuation	248,481	241,854	248,481	241,854
Total post-employment benefits	248,481	241,854	248,481	241,854
Other long-term benefits:				
Long-service leave	139,208	57,866	139,208	57,866
Total other long-term benefits	139,208	57,866	139,208	57,866
Termination benefits	-	-	-	-
Total	2,195,748	1,970,653	2,195,748	1,970,653

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

Loans to/from key management personnel	-	-	-	-
Other transactions with key management personnel	-	-	-	-

Note 13D: Former related party

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

Note 13E: Financial affairs

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

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	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Note 14				
Remuneration of auditors				
Value of the services provided				
Current auditor				
Financial statement audit services	19,680	18,200	19,680	18,200
Other auditors				
Financial statement audit services	3,320	3,950	-	-
Audit of VEC return	879	400	879	400
Total remuneration of auditors	23,879	22,550	20,559	18,600

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Note 15 Financial instruments

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

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

Note 15A: Categories of financial instruments

	Consolidated		Parent	
	2023	2022	2023	2022
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents	2,878,836	4,191,392	2,839,228	4,145,339
Other financial assets – term deposits	6,702,335	6,516,934	6,702,335	6,516,934
Trade and other receivables	1,563,816	1,453,787	1,489,078	1,378,843
Total	11,144,987	12,162,113	11,030,641	12,041,116
Carrying amount of financial assets	11,144,987	12,162,113	11,030,641	12,041,116
Financial liabilities				
Trade and other payables	1,132,852	1,079,862	1,122,888	1,068,125
Borrowings	1,440,812	2,349,767	1,440,812	2,349,767
Total	2,573,664	3,429,629	2,563,700	3,417,892
Carrying amount of financial liabilities	2,573,664	3,429,629	2,563,700	3,417,892

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Note 15 Financial instruments (Continued)

Note 15B: Credit risk

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

The group has no significant concentration of credit risk with any single counter party or group of counter parties. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5B. There is no collateral held by the group securing trade and other receivables. The group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the group. The trade receivables balance at 31 December 2023 and 31 December 2022 do not include any counter parties with external credit ratings.

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

Note 15C: Liquidity risk

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

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

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

Contractual maturities for financial liabilities 2023 - Consolidated

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	1,132,852	-	-	-	-	1,132,852
Borrowings	-	427,710	825,641	187,461	-	1,440,812
Total	1,132,852	427,710	825,641	187,461	-	2,573,664

Maturities for financial liabilities 2022 - Consolidated

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

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2023**

Note 15 Financial instruments (Continued)

Note 15C: Liquidity risk (Continued)

Contractual maturities for financial liabilities 2023 - Parent

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	1,122,888	-	-	-	-	1,122,888
Borrowings	-	427,710	825,641	187,461	-	1,440,812
Total	1,122,888	427,710	825,641	187,461	-	2,563,700

Maturities for financial liabilities 2022 - Parent

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

Note 15D: Market risk

Interest rate risk

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

Sensitivity analysis of the risk that the entity is exposed to for 2023

	Change in risk variable %	Effect on	
		Profit & loss \$	Equity \$
<i>Financial Assets</i>			
Interest rate risk	+2	+190,831	+190,831
Interest rate risk	-2	- 190,831	- 190,831
<i>Financial Liabilities</i>			
Interest rate risk	+1	-14,408	-14,408
Interest rate risk	-1	+14,408	+14,408

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 15 Financial instruments (Continued)

Note 15D: Market risk (Continued)

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

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

Consolidated		Parent	
2023	2022	2023	2022
\$	\$	\$	\$

Note 15E: Asset pledged/or held as collateral

Assets pledged as collateral

Financial assets pledged as collateral:

Freehold Land & Buildings	-	25,947,460	-	25,947,460
Total assets pledged as collateral	-	<u>25,947,460</u>	-	<u>25,947,460</u>

The bank loan was secured by a first registered mortgage over freehold properties owned by the parent entity. Covenants imposed by the bank require that debt not to exceed 70% of the valuation of the properties. The loan was fully paid in 2023.

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 16 Fair value measurements

Note 16A: Financial assets and liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2023 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2023 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2023 \$	Fair value 2023 \$	Carrying amount 2022 \$	Fair value 2022 \$
Consolidated				
Financial Assets				
Cash & cash equivalents	2,878,836	2,878,836	4,191,392	4,191,392
Other financial assets – term deposits	6,702,335	6,702,335	6,516,934	6,516,934
Trade & other receivables	1,563,816	1,563,816	1,453,787	1,453,787
Total	11,144,987	11,144,987	12,162,113	12,162,113
Non-financial Assets				
Land & buildings	25,564,632	25,564,632	25,947,460	25,947,460
Plant & equipment	2,124,273	2,124,273	1,958,739	1,958,739
Other non-current Assets	267,195	267,195	142,902	142,902
Total	27,956,100	27,956,100	28,049,101	28,049,101
Financial Liabilities				
Trade & other payables	1,132,852	1,132,852	1,079,862	1,079,862
Lease liabilities	1,440,812	1,440,812	924,420	924,420
Bank Mortgage Loan	-	-	1,425,347	1,425,347
Total	2,573,664	2,573,664	3,429,629	3,429,629

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 16 Fair value measurements (Continued)

Note 16A: Financial assets and liabilities (Continued)

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

	Carrying amount	Fair value	Carrying amount	Fair value
	2023	2023	2022	2022
	\$	\$	\$	\$
Parent				
Financial Assets				
Cash & cash equivalents	2,839,228	2,839,228	4,145,339	4,145,339
Other financial assets – term deposits	6,702,335	6,702,335	6,516,934	6,516,934
Trade & other receivables	1,489,078	1,489,078	1,378,843	1,378,843
Total	11,030,641	11,030,641	12,041,116	12,041,116
Non-financial Assets				
Land & buildings	25,564,632	25,564,632	25,947,460	25,947,460
Plant & equipment	2,124,273	2,124,273	1,958,739	1,958,739
Other non-current assets	267,195	267,195	142,902	142,902
Total	27,956,100	27,956,100	28,049,101	28,049,101
Financial Liabilities				
Trade & other payables	1,122,888	1,122,888	1,068,125	1,068,125
Lease liabilities	1,440,812	1,440,812	924,420	924,420
Bank Mortgage Loan	-	-	1,425,347	1,425,347
Total	2,563,700	2,563,700	3,417,892	3,417,892

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 16 Fair value measurements (Continued)

Note 16B: Fair value hierarchy

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

Fair value hierarchy - Consolidated 31 December 2023

	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value			
Cash & cash equivalents	2,878,836	-	-
Other financial assets – term deposits	6,702,335	-	-
Trade & other receivables	1,563,816	-	-
Total	11,144,987	-	-
Non-financial Assets			
Land & buildings	-	25,564,632	-
Plant & equipment	-	2,124,273	-
Other non-current assets	-	267,195	-
Total	-	27,956,100	-
Liabilities measured at fair value			
Trade & other payables	1,132,852	-	-
Lease liabilities	1,440,812	-	-
Bank Mortgage Loan	-	-	-
Total	2,573,664	-	-

Fair value hierarchy - Consolidated 31 December 2022

	Level 1 \$	Level 2 \$	Level 3 \$
Assets measured at fair value			
Cash & cash equivalents	4,191,392	-	-
Other financial assets – term deposits	6,516,934	-	-
Trade & other receivables	1,453,787	-	-
Total	12,162,113	-	-
Non-financial Assets measured at fair value			
Land & buildings	-	25,947,460	-
Plant & equipment	-	1,958,739	-
Other non-current assets	-	142,902	-
Total	-	28,049,101	-
Liabilities measured at fair value			
Trade & other payables	1,079,862	-	-
Lease liabilities	924,420	-	-
Bank Mortgage Loan	1,425,347	-	-
Total	3,429,629	-	-

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Note 16 Fair value measurements (Continued)

Note 16B: Fair value hierarchy (Continued)

Fair value hierarchy – Parent 31 December 2023	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Cash & cash equivalents	2,839,228	-	-
Other financial assets – term deposits	6,702,335	-	-
Trade & other receivables	1,489,078	-	-
Total	11,030,641	-	-
Non-financial assets measured at fair value			
Land & buildings	-	25,564,632	-
Plant & equipment	-	2,124,273	-
Other non-current assets	-	267,195	-
Total	-	27,956,100	-
Liabilities measured at fair value			
Trade & other payables	1,122,888	-	-
Lease liabilities	1,440,812	-	-
Total	2,563,700	-	-
Fair value hierarchy – Parent 31 December 2022			
Assets measured at fair value	Level 1	Level 2	Level 3
	\$	\$	\$
Cash & cash equivalents	4,145,339	-	-
Other financial assets – term deposits	6,516,934	-	-
Trade & other receivables	1,378,843	-	-
Total	12,041,116	-	-
Non-current assets measured at fair value			
Land & buildings	-	25,947,460	-
Plant & equipment	-	1,958,739	-
Other non-current assets	-	142,902	-
Total	-	28,049,101	-
Liabilities measured at fair value			
Trade & other payables	1,068,125	-	-
Lease liability	924,420	-	-
Borrowing	1,425,347	-	-
Total	3,417,892	-	-

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Note 17 Correction of Classification

Term deposits totalling \$6,516,934 were incorrectly classified as cash and cash equivalents in the financial report for the year ended 31 December 2022.

Whilst these term deposits were due to mature within 12 months of the year end of 31 December 2022, they were initially issued with a maturity date of more than three months. As such they should have been classified as other financial assets. This change of classification does not have any profit or loss effect.

The comparative figures for the prior period have been restated in the financial statement for the current year as follows:

Consolidated	31 December 2022	(Decrease)	31 December 2022 (restated)
	\$	\$	\$
Statement of Financial Position (extract)			
Cash & Cash equivalents – current assets	10,708,326	(6,516,934)	4,191,392
Other financial assets – current assets	-	6,516,934	6,516,934
Total current assets	13,771,704		13,771,704
Cashflow Statement (extract)			
Cash flows from investing activities			
Re-investment of interest	-	(40,980)	(40,980)
Net cash (used by) investing activities	(1,517,586)	(40,980)	(1,558,566)
Net (decrease) in cash and cash equivalents	(1,050,450)	(40,980)	(1,091,430)
Cash and cash equivalents at beginning of financial year	11,758,776	(6,475,954)	5,282,822
Cash and cash equivalents at end of financial year	10,708,326	(6,516,934)	4,191,392
Parent	31 December 2022	(Decrease)	31 December 2022 (restated)
	\$	\$	\$
Statement of Financial Position (extract)			
Cash & Cash equivalents – current assets	10,662,273	(6,516,934)	4,145,339
Other financial assets – current assets	-	6,516,934	6,516,934
Total current assets	13,650,565		13,650,565
Cashflow Statement (extract)			
Cash flows from investing activities			
Re-investment of interest	-	(40,980)	(40,980)
Net cash (used by) investing activities	(1,517,586)	(40,980)	(1,558,566)
Net (decrease) in cash and cash equivalents	(1,057,904)	(40,980)	(1,098,884)
Cash and cash equivalents at beginning of financial year	11,720,177	(6,475,954)	5,244,223
Cash and cash equivalents at end of financial year	10,662,273	(6,516,934)	4,145,339

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**NOTES TO THE FINANCIAL STATEMENTS
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Note 18 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the General Manager:

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



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Independent Auditor's Report to the Committee of Management and Members of the Australian Education Union Victorian Branch General Purpose Financial Report – Year Ended 31st December 2023

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying General Purpose Financial Report of the Australian Education Union Victorian Branch (“the Registered Organisation”) including its controlled entities, such report comprising of Statement of Financial Position as at 31st December 2023, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended together with Notes to the Financial Statements, Committee of Management Statement and subsection 255(2A) report.

In our opinion, the accompanying General Purpose Financial Report presents fairly, in all material respects, the financial position of the Registered Organisation as at 31st December 2023 and its financial performance, changes in equity, and cash flows for the year ended on that date in accordance with –

- (a) Australian Accounting Standards; and
- (b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 (“the RO Act”).

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

Basis for Opinion

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

Partners:

David J. Eddy CPA
Stephen J. Ferty CPA
Suzanne J. Eddy CPA



Audit Independence

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

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

The Committee of Management is responsible for the other information. The other information comprises the information included in the annual report of the Registered Organisation for the year ended 31st December 2023 and includes the Operating Report. Our opinion on the financial report does not cover the other information and accordingly we do not express any opinion or any form of assurance conclusion thereon.

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls of the Registered Organisation.

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

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

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

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

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

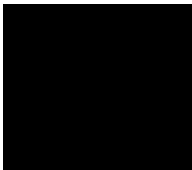
We declare that the auditor is an Approved Auditor registered under the RO Act, a member of CPA Australia, and the holder of a current Public Practising Certificate.

Eddy Partners

Accountants and Auditors

Certified Practising Accountants

Level 8, 501 Latrobe Street, Melbourne, Victoria



Stephen Eedy B.Com CPA

Registered Company Auditor – No. 165946

Registered Organisations Approved Auditor AA2017/83

Holder of a Current Public Practice Licence - CPA Australia - Membership No. 1408419

Melbourne 14th May 2024