



18 May 2026

Maxine Sharkey
Secretary
Australian Education Union - New South Wales Teachers Federation (NSWTF) Branch

Sent via email: mail@nswtf.org.au

CC: smilgate@daley.com.au

Dear Maxine Sharkey

**Australian Education Union - New South Wales Teachers Federation (NSWTF) Branch
Financial Report for the year ended 31 December 2025 – FR2025/239**

I acknowledge receipt of the financial report for the year ended 31 December 2025 for the Australian Education Union - New South Wales Teachers Federation (NSWTF) Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 14 May 2026.

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 next year's financial report 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

ATTACHMENT B

**Australian Education Union New South Wales teachers Federation Branch
S268 Fair Work (Registered Organisations) Act 2009**

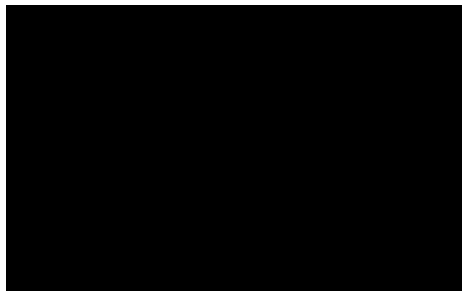
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the period ended 31 December 2025

I, Maxine Sharkey, being the Branch Secretary of the Australian Education Union New South Wales teachers Federation Branch certify:

- that the document lodged herewith is a copy of the full report for the Australian Education Union New South Wales Teachers Federation Branch for the period ended 31 December 2025 referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 12 May 2026; and
- that the full report was presented to a meeting of the Branch Executive on 12 May 2026 in accordance with s266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:



Name of prescribed designated officer: Maxine Sharkey

Title of prescribed designated officer: Branch Secretary

Dated: 14 May 2026

ATTACHMENT A

**Australian Education Union
New South Wales Teachers Federation Branch**

ABN: 86 600 150 697

Financial Statements

For the Year Ended 31 December 2025

Australian Education Union New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Financial Statements For the Year Ended 31 December 2025

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Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Operating Report

For the Year Ended 31 December 2025

The Committee of Management ("the Executive") present their report on the Australian Education Union New South Wales Teachers Federation Branch ("the Federation") for the financial year ended 31 December 2025.

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

The Australian Education Union New South Wales Teachers Federation Branch is a professional and industrial organisation, registered under the *Fair Work (Registered Organisations Act) 2009* ("the RO Act"), representing teachers and other education workers in the NSW Department of Education, TAFE NSW, NSW Department of Corrective Services and New South Wales Education Standards Authority. This includes public schools and TAFE colleges across New South Wales.

The primary object of the Federation is to represent the professional and industrial interests of its members, to promote and defend Australia's high quality public education system and to ensure the right of every child to a quality public education. The union does this by enacting campaigns and strategies which enhance the working conditions, living standards, trade union and professional rights of members as well as the learning environment of students attending public education settings.

The Federation 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 the state and nationally as part of the Australian Education Union ("the AEU").

The Federation is a campaigning union and as such much of our focus and resourcing goes toward campaigning to achieve our priority aims as set by Annual Conference. In 2025 this focus was clearly on working conditions and addressing safety concerns, while also campaigning for additional funding for schools – both in terms of recurrent public school funding and infrastructure. Rebuilding TAFE after more than a decade of damage from the contestable funding model was also a feature, and peace continued to be a priority campaign throughout 2025.

The Federal election in May was the Union's central focus during the first half of the year. After securing a commitment from the Federal Government to fully fund the School Resourcing Standard (SRS) for public schools and to rebuild TAFE, members mobilised around the *For Every Child* campaign.

This campaign included coordinated media activity, extensive member and parent engagement, the development and distribution of campaign resources, a statewide billboard tour, and a strong presence at polling booths on election day under the *For Every Child* banner.

At Annual Conference, delegates endorsed a campaign for additional release time. Securing additional preparation time remains unfinished business from the *More Than Thanks* campaign and was a key recommendation of the Gallop Inquiry. Almost 20,000 members participated in the Federation survey, *Have Your Say on Additional Release Time*, demonstrating the strength of feeling across the membership.

Australian Education Union

New South Wales Teachers Federation Branch

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Operating Report

For the Year Ended 31 December 2025

Changes to Federation Officer Structure

2025 was the first year of permanent employment of some Federation Officers since the implementation of the *Secure Jobs Better Pay Act*. Others began their first year of fixed term contracts, which rely on re-election in order to either move to permanent employment in 2027, or serve another term of office for those positions that are deemed officers under the Fair Work Act.

Over 2025 Federation continued to change its culture in relation to the permanent employment of Federation Officers such as Organisers, Industrial Officers etc. The General Secretary has continued to consult with Officers to update their working conditions and has dedicated additional resources to this large task.

TAFE

Members commenced the year by taking the opportunity to celebrate some of the significant gains achieved in 2024. A special dinner was held at Federation House with Senator Tony Sheldon in attendance as guest speaker to acknowledge the years of campaigning efforts of the membership to secure thousands of permanent jobs for long term part time casual teachers.

Our focus shifted immediately to ensure that other significant wins achieved through the first term of the federal Labor government were not lost by the possible election of a Dutton government. TAFE members joined the state Council to launch a statewide billboard campaign promoting both the "Every Child Every School" and "Rebuild With TAFE" campaigns. Three double sided billboard trucks circulated around 12 key marginal seats as well as the electorate of Farrah held by Deputy Opposition Leader Susan Ley. Ms Ley came in for special attention as the Shadow Minister for Industry, Skills and Training called Free TAFE a 'flop' and said about Fee Free TAFE: 'if you don't pay for something, you don't value it'. The billboards attended TAFE colleges at Lidcombe, TAFE Digital Strathfield, Granville, Miller, Coffs Harbour, Port Macquarie, Kempsey, Shellharbour, Nowra and Albury. TAFE members and officers also worked alongside their Unions NSW comrades at metropolitan and Central Coast railway stations and prepoll. On election day TAFE members and officers supported their schools and colleges handing out "Every Child Every School" and "Rebuild With TAFE" voting advice.

2025 saw the implementation of Phase 1 of the new Operating Model for TAFE NSW, which has seen a return to a statewide "faculty model", a key recommendation of the NSW VET Review. Membership recruitment, retention and engagement has been a significant focus of the Post School section, with record numbers of members attending Trade Union Training and CPL courses and conferences.

The last quarter of 2025 was focused on developing and implementing effective communication structures both within the Post Schools team in the Federation; between Post Schools and other sections of the Federation; but also importantly, between the Federation and TAFE NSW. Term 4 2025 started with an informal meet and greet in Federation's Heritage Room between Federation officers and TAFE NSW senior executives. Federation General Secretary Maxine Sharkey and TAFE NSW Managing Director Chloe Read both spoke about the joint commitment to working positively and constructively together for the benefit of our students.

Australian Education Union

New South Wales Teachers Federation Branch

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Operating Report

For the Year Ended 31 December 2025

Property

2025 was a year of consistency and stability. With the vast majority of tenants being mid-way through their leases, both Federation House and Lowden Square benefitted from almost maximum occupancy rates in 2025. With the official lease execution of the final tenancy in Lowden Square by the Independent Education Union in March, Lowden Square is now at full capacity and is projected to be until 2027.

This brings us to Federation House. Current tenants MU Group, expanded their tenancy by adding a meeting room, increasing profits delivered from that tenancy. MU Group have also renewed their lease for an additional 3 years until 2028.

The once vacant space known as Level 5 North has now been occupied by Blinq Technologies since September 2025 after engaging IB Property Group for the early part of 2025. The Department of Infrastructure, Transport, Regional Development, Communications, Sport and the Arts (DITRCSA) also exercised their option and have requested an extension of the option extending their tenancy to 2027.

In early 2025, tenants Jac and Jack vacated their tenancy at Federation House leaving one of three of Federation Houses' shopfronts vacant. This was quickly expanded into by the longstanding tenants Firedoor who began their incentive period in Q2 of 2025. Firedoor have requested the lease to be in line with their longstanding lease which is anticipated to end in 2038 (including option periods). This will unify two of the three shopfronts and provide consistency until 2038.

Federation engaged Valmont Geyer in late 2025 to begin works on transforming the space known as Level 5 South into a mixed office and learning space for Federation's Centre for Professional Learning (CPL). The purpose of this decision was to increase Professional Development offerings by CPL in order to expand their operations and increase the capacity for members to attend courses delivered by CPL. The works are scheduled to be completed by mid-2026.

Financial Membership

2025 commenced with a membership of 58,817, peaking at 58,833 in mid-February and ending with a figure of 56,715 financial members at the end of December. Of the total membership figures, 3,111 were TAFE members in January and Federation ended with a figure of 2,965 TAFE members in December.

No significant changes in the nature of the Federation's activity occurred during the current financial year.

Significant changes in financial affairs

There have been no significant changes in the state of financial affairs of the Australian Education Union New South Wales Teachers Federation Branch that occurred during the financial year.

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Operating Report

For the Year Ended 31 December 2025

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

Office Holders

Office Holders held their positions throughout the 2025 financial year, unless otherwise stated. The names of the people who held positions as Officers during the year are:

Name	Position	Date of Election/Resignation
Maxine Sharkey	Branch Secretary	
Henry Rajendra	Branch President	
Amber Flohm	Deputy Branch President	
Natasha Watt	Branch Senior Vice-President	
Samuel Clay	Deputy Branch Secretary	
Melissa Smith	Deputy Branch Secretary	
Michael de Wall	Deputy Branch Secretary	Elected 2/11/2024
Jason Gerke	Deputy Branch Secretary	Elected 2/11/2024
David Ferguson	Deputy Branch Secretary	Resigned 30/1/2025
Phillip Chadwick	Deputy Branch Secretary	Position ended 30/1/2025

Australian Education Union

New South Wales Teachers Federation Branch

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Operating Report

For the Year Ended 31 December 2025

Names of Committee of Management members and period positions held during the financial year (continued)

Executive

Executive members held their positions throughout the 2025 financial year, unless otherwise stated. The names of the people who held positions on the Committee of Management are:

<u>Name</u>	<u>Position</u>	<u>Commencement/end of term</u>
Henry Rajendra	Branch President	
Amber Flohm	Branch Deputy President	
Natasha Watt	Branch Senior Vice-President	
Jennifer Mace	Branch Vice President	
Michael Sciffer	Branch Vice President	
Sharryn Usher	Branch Vice President	
Amy Harland	Branch Vice President	
Jeffrey Conroy	Branch Custodian	
Elizabeth Scott	Branch Custodian	
Dimiti Trudgett	ATSI Member's Roll	
Eleanor Lewis	Association Representative	
Trystan Loades	Association Representative	
Alexander Lau	Association Representative	
Adam Skinner	Association Representative	
Rhiannon O'Brien	Association Representative	
Kelly Anderson	Association Representative	Commenced 17/2/2025
Jake Freeman-Duffy	Association Representative	Commenced 17/2/2025
Andrew Clifton	Association Representative	Commenced 17/2/2025
John Skene	Association Representative	End of term 31/1/2025
Natalie Hudson	Association Representative	End of term 16/2/2025
Kate Wealleans	Association Representative	End of term 16/2/2025

Right of members to resign

All members of the Federation have the right to resign, in accordance with Rule 65(1) of the Federation Rules and section 174 of the *Fair Work (Registered Organisations) Act 2009*.

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

No officer or member of the Federation holds a position as a trustee or director of a superannuation entity or exempt public sector superannuation scheme where the criterion for holding such position is that they are an officer or member of the Federation.

Australian Education Union New South Wales Teachers Federation Branch

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Operating Report For the Year Ended 31 December 2025

Review of operations

A review of the operations and results of the Federation is performed in the meetings of the Office Holders and by the Executive. Additionally, such matters are considered periodically at a regular meeting of the Office Holders of the Federation. The Executive believe that they have furthered the interests of their members throughout the financial year through the conducting of the Federation's principal activities.

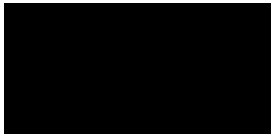
Number of members

The number of members at 31 December 2025 was 67,601 (2024: 70,042).

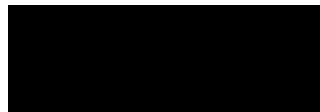
Number of employees

The number of full time equivalent employees at 31 December 2025 was 160 (2024: 152).

Signed in accordance with a resolution of the Board of Directors:



**Jeffrey Conroy
Custodian**



**Maxine Sharkey
Branch Secretary**

Dated: 12 May 2026

Australian Education Union New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Committee of Management Statement For the Year Ended 31 December 2025

On 12 May 2026, the Committee of Management ("the Executive") of the Australian Education Union New South Wales Teachers Federation Branch ("the Federation"), passed the following resolution in relation to the general purpose financial report for the year ended 31 December 2025:

The 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 Federation for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Federation will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the general purpose financial report relates and since the end of that year:
 - i) meetings of the Executive were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - ii) the financial affairs of the Federation 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 Federation 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 Federation have been kept, as far as practicable, in a consistent manner with each or the other reporting units of the organisation; and
 - v) where information has been sought in any request by a member of the Federation or General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Jeffrey Conroy
Custodian



Maxine Sharkey
Branch Secretary

Dated: 12 May 2026

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Statement of Profit or Loss and Other Comprehensive Income For the Year Ended 31 December 2025

	Note	2025 \$	2024 \$
Revenue	4	44,726,380	44,184,530
Other income	4	6,037,183	6,112,713
Total Revenue		50,763,563	50,297,243
Employee benefits expense	26(d)	(25,499,574)	(23,889,059)
Publication and media expenses		(880,664)	(898,476)
Capitation fees and levies	26(a)	(3,302,875)	(3,292,364)
Depreciation and amortisation		(2,440,349)	(2,551,582)
Meetings, conferences and related expenses		(3,591,787)	(3,695,099)
Professional expenses		(755,009)	(730,302)
Office administration		(1,679,087)	(1,273,095)
Property costs		(1,458,465)	(1,211,399)
Grants and donations	26(c)	(716,060)	(739,832)
Affiliation and association fees		(664,694)	(638,141)
Insurance costs		(783,990)	(615,688)
Finance charges		(62,560)	(66,451)
Net gain/(loss) on disposal of assets		119,618	(802,295)
Other operating expenses		(935,942)	(757,765)
Total Expenses		(42,651,438)	(41,161,548)
Result for the year		8,112,125	9,135,695
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Actuarial gain/(loss) on defined benefit plans	15(a)	(601,168)	2,294,987
Total comprehensive income for the year		7,510,957	11,430,682

The accompanying notes form part of these financial statements.

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Statement of Financial Position

As at 31 December 2025

	Note	2025 \$	2024 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	6	3,708,172	4,603,082
Trade and other receivables	7	3,398,662	3,108,170
Financial assets	8	83,340,745	73,409,518
Other assets	9	221,654	304,424
TOTAL CURRENT ASSETS		90,669,233	81,425,194
NON-CURRENT ASSETS			
Property, plant and equipment	10	25,869,240	26,948,571
Intangible assets	11	-	227,414
Right-of-use assets	12	867,326	978,487
Defined Benefit Fund	15(a)	139,133	182,450
TOTAL NON-CURRENT ASSETS		26,875,699	28,336,922
TOTAL ASSETS		117,544,932	109,762,116
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	13	3,888,614	3,506,224
Lease liabilities	12	181,198	163,583
Employee benefits	14	9,380,084	9,433,853
TOTAL CURRENT LIABILITIES		13,449,896	13,103,660
NON-CURRENT LIABILITIES			
Lease liabilities	12	760,773	872,377
Employee benefits	14	77,347	40,120
TOTAL NON-CURRENT LIABILITIES		838,120	912,497
TOTAL LIABILITIES		14,288,016	14,016,157
NET ASSETS		103,256,916	95,745,959
EQUITY			
Reserves	16	27,242,612	25,506,058
Retained earnings		76,014,304	70,239,901
TOTAL EQUITY		103,256,916	95,745,959

The accompanying notes form part of these financial statements.

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Statement of Changes in Equity

For the Year Ended 31 December 2025

	General Fund	Special Reserve 1984 Conference	Public Education Fund	Total
	\$	\$	\$	\$
Balance at 1 January 2025	70,239,901	21,928,500	3,577,558	95,745,959
Result for the year	8,112,125	-	-	8,112,125
Total other comprehensive income for the year	(601,168)	-	-	(601,168)
- Special Reserve: 1984 Annual Conference	(788,500)	788,500	-	-
- Public Education Fund	(948,054)	-	948,054	-
Balance at 31 December 2025	76,014,304	22,717,000	4,525,612	103,256,916
Balance at 1 January 2024	60,543,241	21,031,000	2,741,036	84,315,277
Result for the year	9,135,695	-	-	9,135,695
Total other comprehensive income for the year	2,294,987	-	-	2,294,987
- Special Reserve: 1984 Annual Conference	(897,500)	897,500	-	-
- Public Education Fund	(836,522)	-	836,522	-
Balance at 31 December 2024	70,239,901	21,928,500	3,577,558	95,745,959

The accompanying notes form part of these financial statements.

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Statement of Cash Flows

For the Year Ended 31 December 2025

	2025	2024
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES:		
Receipts from members and customers	51,337,754	50,909,368
Payments to suppliers and employees	(44,884,535)	(44,176,823)
Interest received	3,848,386	3,337,241
Finance costs	(62,559)	(66,429)
Net cash provided by operating activities	23 <u>10,239,046</u>	<u>10,003,357</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property, plant and equipment	(1,174,269)	(2,542,154)
Proceeds from sale of plant and equipment	142,273	27,817
Purchase of intangible assets	-	(87,733)
Net purchase of term deposits	(9,931,227)	(8,317,143)
Net cash used by investing activities	<u>(10,963,223)</u>	<u>(10,919,213)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Repayment of lease liabilities - principal	(170,733)	(175,498)
Net cash used by financing activities	<u>(170,733)</u>	<u>(175,498)</u>
Net (decrease)/increase in cash and cash equivalents held	(894,910)	(1,091,354)
Cash and cash equivalents at beginning of year	4,603,082	5,694,436
Cash and cash equivalents at end of financial year	6 <u><u>3,708,172</u></u>	<u><u>4,603,082</u></u>

The accompanying notes form part of these financial statements.

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Notes to the Financial Statements

For the Year Ended 31 December 2025

1 Basis of Preparation

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

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for certain classes of property, plant and equipment and investment properties, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars.

Comparative amounts

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

2 Material Accounting Policy Information

(a) Revenue and other income

Revenue from contracts with customers

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

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

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

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

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

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(a) Revenue and other income (continued)

The material revenue recognition policies for the principal revenue streams of the Federation are:

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 Federation.

There is only one distinct membership service promised in the arrangement, the Federation recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect the Federation 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 Federation allocates the transaction price to each performance obligation based on the relative standalone selling price 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 Federation 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 Federation recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, the Federation 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 goods or services will transfer to the customer will be one year or less.

Other professional services

The Federation provides other professional services to customers in the form of course fees, events, venue hire and advertising. These are fixed price contracts. Revenue is recognised over the period the services are performed.

Rental income

Leases in which the Federation, 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. Contingent rents are recognised as income in the period in which they are earned.

Australian Education Union

New South Wales Teachers Federation Branch

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Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(a) Revenue and other income (continued)

Interest revenue

Interest revenue is recognised using the effective interest rate method.

(b) Income tax

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

(c) Goods and services tax (GST)

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

Receivables and payables are stated inclusive of GST.

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

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

(d) Capitation fees and levies expense

Capitation fees and levies are recognised on an accrual basis and recorded as an expense in the year to which they relate.

(e) Legal assistance to members: disbursements and recoveries

As a benefit of membership, the Federation provides financial assistance to eligible members via the provision of free or subsidised legal services, in matters including (but not limited to) workplace health and safety. Once the matter has been approved for assistance, the Federation may fund the costs and disbursements, which are returned to the Federation in the event that the matter is resolved in the members' favour. Given the variability of outcomes and the length of time typically taken to finalise such matters, these outstanding costs and recoveries cannot be measured reliably. Accordingly, they are expensed in the year of being incurred. Any costs and disbursements recovered are recorded as income in the year in which receipt is confirmed and reliably quantified.

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Notes to the Financial Statements For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(f) Cash and cash equivalents

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

(g) Property, plant and equipment

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

Assets are carried at cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

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

Leasehold improvements are amortised over their estimated useful life.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

Land is not depreciated and is held at cost.

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

Fixed asset class	Depreciation rate
Buildings	2.5 - 6.67%
Plant and equipment	10 - 40%
Furniture, fixtures and fittings	10%
Motor vehicles	25%
Leasehold improvements	2.5 - 20%

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

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Notes to the Financial Statements For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(h) Intangibles

Software

Intangible assets with finite lives that are acquired separately and are carried at cost less any accumulated amortisation and impairment losses.

The carrying amount of software is reviewed annually by the Federation to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed on the basis of the expected new cash flows that will be received from the assets employment and subsequent disposal. The expected new cash flows are discounted to their present values in determining recoverable amounts.

Amortisation

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.

All software is amortised at a rate of 40% per annum.

(i) Software-as-a-Service (SaaS) arrangements

SaaS arrangements are software product offerings in which the Federation does not control the underlying software used in the arrangement. Where costs incurred to configure or customise a SaaS arrangement result in the creation of a resource which is identifiable, and where the Federation has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation period is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, the Federation recognises those costs as an expense when the supplier provides the services. However, the Federation recognise those costs as a prepayment if, and to the extent that, the supplier performing the configuration and customisation activities is the vendor of the SaaS product (or an agent of the vendor) and those activities do not represent a distinct service in addition to the SaaS access. This is because, in that circumstance, the Federation cannot separately benefit from the configuration and customisation activities and instead those activities are set up activities performed by the SaaS vendor so that it can provide the SaaS access to the Federation.

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2 Material Accounting Policy Information (continued)

(i) Software-as-a-Service (SaaS) arrangements (continued)

In the process of applying the Federation's accounting policy on configuration and customisation of costs incurred in implementing SaaS arrangements, management has made the following judgements:

- Determining whether cloud computing arrangements contain a software licence intangible asset
 - The Federation evaluates cloud computing arrangements to determine if it provides a resource that the Federation can control. The Federation determines that a software licence intangible asset exists in a cloud computing arrangement when both of the following are met at the inception of the arrangement:
 - The Federation has the contractual right to take possession of the software during the hosting period without significant penalty.
 - It is feasible for the Federation to run the software on its own hardware or contract with another party unrelated to the supplier to host the software.
- Capitalisation of configuration and customisation costs in SaaS arrangements
 - Where the Federation incurs costs to configure or customise SaaS arrangements and such costs are considered to enhance on-premise software that belongs to the Federation or to provide code that can be used by the Federation in other arrangements, the Federation applies judgement to assess whether such costs result in the creation of an intangible asset that meets the definition and recognition criteria in AASB 138 *Intangible Assets*.

For the year ended 31 December 2025, \$nil (2024: \$nil) of costs incurred in implementing SaaS arrangements were recognised as intangible assets.

Derecognition

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

(j) Leases

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

This involves an assessment of whether:

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

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Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(j) Leases (continued)

Lessee accounting

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

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

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

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

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

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

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

(k) Financial instruments

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

On initial recognition, all financial instruments are measured at fair value plus transaction costs.

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Notes to the Financial Statements

For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(k) Financial instruments (continued)

(i) Financial assets

All recognised financial assets are subsequently measured in their entirety at amortised cost.

Classification

The Federation classifies its financial assets as those to be measured at amortised cost.

The classification depends on the Federation's business model for managing the financial assets and the contractual terms of the cash flows.

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

Amortised cost

Assets measured at amortised cost are financial assets where:

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

The Federation's financial assets measured at amortised cost comprise trade and other receivables, cash and cash equivalents and financial assets in the statement of financial position.

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

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

Impairment of financial assets

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

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

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Notes to the Financial Statements For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(k) Financial instruments (continued)

(i) Financial assets (continued)

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

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

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

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

Trade receivables

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

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

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

Other financial assets measured at amortised cost

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

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Notes to the Financial Statements For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(k) Financial instruments (continued)

(ii) Financial liabilities

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

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

(l) Impairment of 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 the 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 Federation were deprived of the asset, its recoverable amount is its fair value.

In other cases, for the purposes of determining recoverable amount, assets are grouped at the lowest levels for which there are separately identifiable cash flows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

(m) Employee benefits

Defined benefit superannuation schemes

Nature of the benefits provided by the fund

The Pooled Fund holds in trust the investments of the closed NSW public sector superannuation schemes:

- State Authorities Superannuation Scheme (SASS)
- State Superannuation Scheme (SSS)
- Police Superannuation Scheme (PSS)
- State Authorities Non-contributory Superannuation Scheme (SANCS).

These schemes are all defined benefit schemes - at least a component of the final benefit is derived from a multiple of member salary and years of membership. Members receive lump sum or pension benefits on retirement, death, disablement and withdrawal.

All the Schemes are closed to new members.

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Notes to the Financial Statements For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(m) Employee benefits (continued)

Defined benefit superannuation schemes (continued)

Description of the regulatory framework

The schemes in the Pooled Fund are established and governed by the following NSW legislation: Superannuation Act 1916, State Authorities Superannuation Act 1987, Police Regulation (Superannuation) Act 1906, State Authorities Non-Contributory Superannuation Act 1987, and their associated regulations.

The schemes in the Pooled Fund are exempt public sector superannuation schemes under the Commonwealth Superannuation Industry (Supervision) Act 1993 (SIS). The SIS Legislation treats exempt public sector superannuation funds as complying funds for concessional taxation and superannuation guarantee purposes.

Under a Heads of Government agreement, the New South Wales Government undertakes to ensure that the Pooled Fund will conform with the principles of the Commonwealth's retirement incomes policy relating to preservation, vesting and reporting to members and that members' benefits are adequately protected.

The New South Wales Government prudentially monitors and audits the Pooled Fund and the Trustee Board activities in a manner consistent with the prudential controls of the SIS legislation. These provisions are in addition to other legislative obligations on the Trustee Board and internal processes that monitor the Trustee Board's adherence to the principles of the Commonwealth's retirement incomes policy.

An actuarial investigation of the Pooled Fund is performed every three years. The last actuarial investigation was performed as at 30 June 2024. The next actuarial investigation will be performed at 30 June 2027.

Description of other entities' responsibilities for the governance of the fund

The Fund's Trustee is responsible for the governance of the Fund. The Trustee has a legal obligation to act solely in the best interests of fund beneficiaries. The Trustee has the following roles:

- Administration of the fund and payment to the beneficiaries from fund assets when required in accordance with the fund rules;
- Management and investment of the fund assets; and
- Compliance with other applicable regulations.

Defined contribution schemes

Obligations for contributions to defined contribution superannuation plans are recognised as an employee benefit expense in profit or loss in the periods in which services are provided by employees.

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Notes to the Financial Statements For the Year Ended 31 December 2025

2 Material Accounting Policy Information (continued)

(m) Employee benefits (continued)

Defined benefit superannuation schemes (continued)

Employee benefit obligations

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits in the circumstances set up below.

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 Federation 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.

(n) Adoption of new and revised accounting standards

The Federation has adopted all standards which became effective for the first time during the year, none of the new standards had a material impact on the reported financial position and statement of profit or loss and other comprehensive income.

(o) New accounting standards for application in future periods

Certain new accounting standards have been published that are not mandatory for 31 December 2025 reporting periods and have not been early adopted by the Federation. These standards are not expected to have a material impact on the Federation in the current or future reporting periods and on foreseeable future transactions.

(p) Contingent assets and liabilities

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.

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Notes to the Financial Statements

For the Year Ended 31 December 2025

3 Critical Accounting Estimates and Judgements

Those charged with governance make estimates and judgements during the preparation of these financial statements regarding assumptions about current and future events affecting transactions and balances.

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

The significant estimates and judgements made have been described below:

Key estimates - impairment of property, plant and equipment

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

Key estimates - receivables

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

Key estimates - useful lives of depreciable assets

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

Key estimates - employee entitlements

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

Key estimates - defined benefit fund liability

Management's estimate of the defined benefit fund liability is based on a number of critical underlying assumptions such as the rate of inflation, medical cost trends, mortality, discount rates and anticipation of future salary increases. Given their nature, estimation uncertainties associated with these assumptions exist. Variations in these assumptions may significantly impact the defined benefit liability, the annual defined benefit expenses as well as the impact on other comprehensive income. Further information on the key assumptions related to the defined benefit liability are documented at note 15.

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Notes to the Financial Statements

For the Year Ended 31 December 2025

4 Revenue and Other Income

	Note	2025 \$	2024 \$
Revenue from contracts with customers			
Membership subscriptions		42,571,540	42,137,704
Public Education Fund Levy	16(c)	1,544,045	1,528,311
Course fees		139,150	57,150
Venue hire		454,186	442,556
Advertising		17,459	18,809
		<u>44,726,380</u>	<u>44,184,530</u>
Other income			
Rental income		1,710,743	1,999,411
Grant income	26(f)	80,096	86,840
Interest income		3,842,680	3,689,182
Other income		403,664	337,280
		<u>6,037,183</u>	<u>6,112,713</u>
Total revenue and other income		<u>50,763,563</u>	<u>50,297,243</u>

Disaggregation of revenue from contracts with customers

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

Timing of revenue recognition		
- Over time	44,587,230	44,127,380
- At a point in time	139,150	57,150
Revenue from contracts with customers	<u>44,726,380</u>	<u>44,184,530</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2025

5 Result for the Year

The result for the year includes the following specific expenses:

	2025	2024
Note	\$	\$
Superannuation contributions	2,453,260	2,295,643
Defined benefit costs	26(d) 32,153	300
(Gain)/loss on disposal/scrapping of assets	(119,618)	802,295
Provision for doubtful debts	8,252	11,326

6 Cash and Cash Equivalents

Cash at bank	3,705,572	4,600,482
Cash on hand	2,600	2,600
	<u>3,708,172</u>	<u>4,603,082</u>

7 Trade and Other Receivables

Trade receivables from contracts with customers	7(a) 1,441,004	1,306,726
Provision for impairment	7(b) (83,506)	(75,254)
	<u>1,357,498</u>	1,231,472
Other receivables	290,914	120,742
Accrued interest receivable	1,750,250	1,755,956
	<u>3,398,662</u>	<u>3,108,170</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2025

7 Trade and Other Receivables (continued)

(a) Aged analysis

The ageing analysis of trade receivables is as follows:

	2025	2024
	\$	\$
0-14 days	1,410,266	1,278,859
14-30 days	20,753	19,903
30-60 days (past due not impaired)	9,741	7,964
61+ days (considered impaired)	244	-
	<u>1,441,004</u>	<u>1,306,726</u>

(b) Impairment of receivables

The Federation applies the simplified approach to providing for expected credit losses prescribed by AASB 9, which permits the use of the lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The loss allowance provision as at 31 December 2025 is determined as follows, and the expected credit losses incorporate forward looking information.

	< 14 days	30 days	60 days	61 + days	Total
31 December 2025					
Expected loss rate (%)	5%	25.58%	76.42%	98.80%	
Gross carrying amount (\$)	1,410,266	20,753	9,741	244	1,441,004
ECL provision	70,513	5,308	7,444	241	83,506
	<hr/>				
31 December 2024					
Expected loss rate (%)	5%	25.50%	78.30%	0%	
Gross carrying amount (\$)	1,278,859	19,903	7,964	-	1,306,726
ECL provision	63,943	5,075	6,236	-	75,254

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Notes to the Financial Statements

For the Year Ended 31 December 2025

8 Financial Assets

	2025	2024
	\$	\$
CURRENT		
<i>Financial assets at amortised cost</i>		
Term deposits	<u>83,340,745</u>	<u>73,409,518</u>

9 Other Assets

Prepayments	213,729	297,019
Other	<u>7,925</u>	<u>7,405</u>
	<u>221,654</u>	<u>304,424</u>

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Notes to the Financial Statements

For the Year Ended 31 December 2025

10 Property, Plant and Equipment

	2025	2024
	\$	\$
Land and Buildings		
At cost	50,519,672	50,187,894
Accumulated depreciation	<u>(27,507,967)</u>	<u>(25,958,864)</u>
	<u>23,011,705</u>	<u>24,229,030</u>
Plant and equipment		
At cost	3,745,195	3,601,890
Accumulated depreciation	<u>(2,047,067)</u>	<u>(1,729,235)</u>
	<u>1,698,128</u>	<u>1,872,655</u>
Furniture, fixtures and fittings		
At cost	988,849	798,733
Accumulated depreciation	<u>(519,874)</u>	<u>(451,169)</u>
	<u>468,975</u>	<u>347,564</u>
Motor vehicles		
At cost	1,099,758	1,034,372
Accumulated depreciation	<u>(507,576)</u>	<u>(642,760)</u>
	<u>592,182</u>	<u>391,612</u>
Leasehold Improvements		
At cost	212,257	210,257
Accumulated depreciation	<u>(114,007)</u>	<u>(102,547)</u>
	<u>98,250</u>	<u>107,710</u>
	<u>25,869,240</u>	<u>26,948,571</u>

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Notes to the Financial Statements For the Year Ended 31 December 2025

10 Property, Plant and Equipment (continued)

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

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

	Land & buildings \$	Plant & equipment \$	Furniture, fixtures & fittings \$	Motor vehicles \$	Leasehold improvements \$	Total \$
Year ended 31 December 2025						
Balance at the beginning of year	24,229,030	1,872,655	347,564	391,612	107,710	26,948,571
Additions	339,243	216,100	196,627	438,785	2,000	1,192,755
Disposals	(2,662)	-	(175)	(19,818)	-	(22,655)
Depreciation expense	(1,553,906)	(390,627)	(75,041)	(218,397)	(11,460)	(2,249,431)
Balance at the end of the year	23,011,705	1,698,128	468,975	592,182	98,250	25,869,240
Year ended 31 December 2024						
Balance at the beginning of year	25,464,844	1,200,374	339,878	447,037	73,455	27,525,588
Additions	1,369,790	941,673	77,809	107,641	45,242	2,542,155
Disposals	(829,126)	(29)	(958)	-	-	(830,113)
Depreciation expense	(1,776,478)	(269,363)	(69,165)	(163,066)	(10,987)	(2,289,059)
Balance at the end of the year	24,229,030	1,872,655	347,564	391,612	107,710	26,948,571

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Notes to the Financial Statements

For the Year Ended 31 December 2025

11 Intangible Assets

	2025	2024
	\$	\$
Computer Software		
At cost	660,789	890,927
Accumulated amortisation	(660,789)	(663,513)
	<u>-</u>	<u>227,414</u>

(a) Movements in carrying amounts of intangible assets

Balance at the beginning of the year	227,414	206,729
Additions	-	87,733
Impairment	(224,401)	-
Amortisation	(3,013)	(67,048)
Closing value at end of year	<u>-</u>	<u>227,414</u>

12 Leases

Union as a lessee

The Federation has leases over land and buildings and office equipment. Information relating to the leases in place and associated balances and transactions are provided below.

Land and buildings

The Federation leases office premises with lease terms between 3 to 10 years, the lease payments are fixed during the term, with annual increases to adjust for inflation.

Office equipment

The Federation leases office equipment with lease terms between 4 to 5 years, the lease payments are fixed during the term. The lease agreement expired in the current year.

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Notes to the Financial Statements

For the Year Ended 31 December 2025

12 Leases (continued)

Right-of-use assets

	Land and buildings	Office equipment	Total
	\$	\$	\$
Year ended 31 December 2025			
Balance at beginning of year	974,470	4,017	978,487
Additions to right-of-use assets	59,466	-	59,466
Remeasurement of lease liabilities	17,278	-	17,278
Depreciation charge	(183,888)	(4,017)	(187,905)
Balance at end of year	867,326	-	867,326

Year ended 31 December 2024

Balance at beginning of year	961,103	28,127	989,230
Additions to right-of-use assets	170,256	-	170,256
Remeasurement of lease liabilities	39,699	-	39,699
Disposals	(25,223)	-	(25,223)
Depreciation charge	(171,365)	(24,110)	(195,475)
Balance at end of year	974,470	4,017	978,487

Lease liabilities

	2025	2024
	\$	\$
Current lease liabilities	181,198	163,583
Non-current lease liabilities	760,773	872,377
	941,971	1,035,960

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Notes to the Financial Statements For the Year Ended 31 December 2025

12 Leases (continued)

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

	< 1 year	1 - 5 years	> 5 years	Total undiscounted lease liabilities	Lease liabilities included in this Statement Of Financial Position
	\$	\$	\$	\$	\$
2025					
Lease liabilities	235,212	798,628	82,722	1,116,562	941,971
2024					
Lease liabilities	223,548	795,077	241,197	1,259,822	1,035,960

Extension options

A number of the building leases contain extension options which allow the Federation to extend the lease term of the original non-cancellable period of the lease. At commencement date and each subsequent reporting date, the Federation assesses where it is reasonably certain that the extension options will be exercised.

Statement of profit or loss and other comprehensive income

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

	2025	2024
	\$	\$
Interest expense on lease liabilities	62,559	66,451
Expenses relating to short-term leases	88,189	76,964
Depreciation of right-of-use assets	187,905	195,475
	<u>338,653</u>	<u>338,890</u>

Statement of cash flows

Total cash outflow for leases	<u>228,893</u>	<u>239,889</u>
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The Union as a lessor

Refer to note 17(a) for further details.

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Notes to the Financial Statements For the Year Ended 31 December 2025

13 Trade and Other Payables

	2025	2024
	\$	\$
Trade payables and accruals	616,875	786,858
Sundry payables	2,338,040	2,058,534
Contract liabilities - membership in advance	933,699	660,832
	<u>3,888,614</u>	<u>3,506,224</u>
(a) Payables to other reporting units:		
Australian Education Union - Federal Office	<u>792</u>	<u>587</u>
(b) Legal costs payable:		
Litigation	130,538	126,567
Other legal matters	23,905	12,080
	<u>154,443</u>	<u>138,647</u>

14 Employee Benefits

CURRENT

Annual leave	3,137,828	3,236,806
Long service leave	6,148,232	6,197,047
Separation and redundancies	94,024	-
	<u>9,380,084</u>	<u>9,433,853</u>

NON-CURRENT

Long service leave	<u>77,347</u>	<u>40,120</u>
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Notes to the Financial Statements For the Year Ended 31 December 2025

14 Employee Benefits (continued)

(a) Defined benefit fund balances

Due to the confidentiality and privacy requirements, the Federation does not have access to the detailed records of the defined benefit fund in order to provide a split of the defined benefit expense liability between office holders and other employees.

The total defined benefit fund asset is reconciled further in note 15(a). As the fund is currently an asset, no current liability has been recognised.

(b) Employee benefits attributable to:

	Note	2025 \$	2024 \$
Office holders			
Annual leave		691,795	560,613
Long service leave		955,866	993,604
		<u>1,647,661</u>	<u>1,554,217</u>
Employees other than office holders			
Annual leave		2,446,033	2,676,193
Long service leave		5,269,713	5,243,564
Separation and redundancies		94,024	-
		<u>7,809,770</u>	<u>7,919,757</u>
Defined Benefit Fund (Asset)/Liability	15(a)	<u>(139,133)</u>	<u>(182,450)</u>
		<u>9,318,298</u>	<u>9,291,524</u>

Australian Education Union

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Notes to the Financial Statements

For the Year Ended 31 December 2025

15 Defined Benefit Fund

	2025	2024
Note	\$	\$
NON-CURRENT ASSETS		
Present value of plan assets	<u>139,133</u>	<u>182,450</u>
(a) Reconciliation of the net defined benefits (assets)/liability		
Net defined benefit liability at start of year	(182,450)	2,702,241
Current service cost	57,506	56,123
Net interest expense	(25,353)	116,230
Provision for on costs	-	(172,053)
Total amount recognised in profit or loss	<u>26(d) 32,153</u>	<u>300</u>
Actual return on fund assets less interest income	(1,655,100)	(2,173,489)
Actuarial (gains)/losses arising from changes in financial assumptions	(567,277)	(343,713)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	1,534,547
Actuarial (gains)/losses arising from liability experience	646,419	(1,922,212)
Adjustment for effect of asset ceiling	2,177,126	609,880
Total amount recognised in other comprehensive income	<u>601,168</u>	<u>(2,294,987)</u>
Employer contributions	(590,004)	(590,004)
Total (asset)/liability at end of year	<u>(139,133)</u>	<u>(182,450)</u>
(b) Reconciliation of Fair Value of Fund Assets		
Opening balance	49,862,164	47,420,593
Interest income	2,567,047	2,387,642
Actuarial return on fund assets less interest income	1,655,100	2,173,489
Employer contributions	590,004	590,004
Contributions by participants	52,410	48,666
Benefits paid	(4,903,501)	(2,875,439)
Taxes, premiums and expenses paid	216,661	117,209
Closing balance	<u>50,039,885</u>	<u>49,862,164</u>

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For the Year Ended 31 December 2025

15 Defined Benefit Fund (continued)

(c) Present value of defined benefit obligations

	2025	2024
	\$	\$
Present value of defined benefit obligations at start of year	49,069,832	49,950,780
Current service costs	57,506	56,123
Interest cost	2,509,309	2,503,871
Contributions by participants	52,410	48,666
Actuarial (gains)/losses arising from changes in financial assumptions	(567,277)	(343,713)
Actuarial (gains)/losses arising from changes in demographic assumptions	-	1,534,547
Actuarial (gains)/losses arising from liability experience	646,419	(1,922,212)
Benefits paid	(4,903,501)	(2,875,439)
Taxes, premiums and expenses paid	216,661	117,209
Present value of defined benefit obligations at end of year	47,081,359	49,069,832

(d) Effect of the asset ceiling

The adjustment for the effect of asset ceiling has been determined based on the maximum economic benefit available to the entity in the form of reductions in future employer contributions.

Adjustment for effect of asset ceiling at beginning of the year	609,880	-
Interest on the effect of asset ceiling	32,385	-
Change in the effect of asset ceiling	2,177,126	609,880
Adjustment for effect of asset ceiling at end of the year	2,819,391	609,880

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Notes to the Financial Statements

For the Year Ended 31 December 2025

15 Defined Benefit Fund (continued)

(e) Fair value of Fund assets

All pooled fund assets are invested by SAS Trustee Corporation (STC) at arm's length through independent fund managers, assets are not separately invested for each entity and it is not possible or appropriate to disaggregate and attribute fund assets to individual entities. As such, the disclosures below relate to total assets of the Pooled Fund (available as at November 2024 and 2025, respectively).

As at 30 Nov (31 Dec not available)

Class of asset	2025			Total \$'000	% of total
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		
Short term securities	2,058,509	665,963	-	2,724,472	7.2
Australian fixed interest	-	629,313	1	629,314	1.7
International fixed interest	-	227,434	3,501	230,935	0.6
Australian equities	4,104,290	219,389	99,652	4,423,331	11.8
International equities	15,310,951	123,259	168,022	15,602,232	41.6
Property	372,657	-	2,232,624	2,605,281	6.9
Alternatives	2,476	3,884,061	7,436,810	11,323,347	30.2
Total	21,848,883	5,749,419	9,940,610	37,538,912	100.0

Class of asset	2024			Total \$'000	% of total
	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000		
Short term securities	2,349,000	-	-	2,349,000	6.2
Australian fixed interest	-	130,000	-	130,000	0.3
International fixed interest	-	206,000	4,000	210,000	0.6
Australian equities	4,550,000	3,208,000	28,000	7,786,000	20.6
International equities	14,812,000	-	321,000	15,133,000	40.1
Property	470,000	-	2,047,000	2,517,000	6.7
Alternatives	1,000	2,045,000	7,599,000	9,645,000	25.5
Total	22,182,000	5,589,000	9,999,000	37,770,000	100.0

Refer to note 21 for the definition of what constitutes levels 1, 2 and 3 in the fair value hierarchy.

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Notes to the Financial Statements

For the Year Ended 31 December 2025

15 Defined Benefit Fund (continued)

(e) Fair value of Fund assets (continued)

Derivatives, including futures and options, can be used by investment managers. However, each manager's investment mandate clearly states that derivatives may only be used to facilitate efficient cashflow management or to hedge the portfolio against market movements and cannot be used for speculative purposes or gearing of the investment portfolio. As such, managers make limited use of derivatives.

(f) Significant actuarial assumptions at the reporting date

	2025	2024
Discount rate	5.51%	5.31%
Salary increase rate (excluding promotions)	3.5 - 3.76%	3.67 - 4.75%
Rate of CPI increase	1.9 - 3.25%	2.5 - 3.8%
Pensioner mortality	Per 2024 Actuarial Investigation	Per 2024 Actuarial Investigation

(g) Sensitivity analysis

The Federation's total defined benefit obligation as at 31 December 2025 and 2024 under several scenarios is presented below. The total defined benefit obligation disclosed is inclusive of the contribution tax provision which is calculated based on the asset level at 31 December 2025 and 2024.

The first three Scenarios relate to sensitivity of the total defined benefit obligation to economic assumptions, and the 4th scenario relates to sensitivity to demographic assumptions. A positive number represents an increase in obligation.

	Increase in assumption	Decrease in assumption
	\$	\$
31 December 2025		
Actuarial assumption		
Discount rate +/- 0.5%	(1,930,179)	2,079,110
Rate of CPI increase +/- 0.5%	2,249,141	(2,098,069)
Salary increase rate (excluding promotions) +/- 0.5%	49,194	(47,898)
Mortality factors: Higher**/Lower*	(1,631,107)	1,480,654

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Notes to the Financial Statements

For the Year Ended 31 December 2025

15 Defined Benefit Fund (continued)

(g) Sensitivity analysis (continued)

	Increase in assumption	Decrease in assumption
	\$	\$
31 December 2024		
Actuarial assumption		
Discount rate +/- 0.5%	(2,077,680)	2,243,666
Rate of CPI increase +/- 0.5%	2,399,559	(2,232,386)
Salary increase rate (excluding promotions) +/- 0.5%	64,821	(63,037)
Mortality factors: Higher**/Lower*	(1,632,555)	1,484,016

*Assumes mortality rates, including future improvements, are as if the pensioner were 1 year younger than actual.

**Assumes mortality rates, including future improvements, are as if the pensioner were 1 year older than actual.

The defined benefit obligation has been recalculated by changing the assumptions as outlined above, whilst retaining all other assumptions.

(h) Asset-liability matching strategies

The Trustee monitors its asset-liability risk continuously in setting its investment strategy. It also monitors cashflows to manage liquidity requirements. No explicit asset-liability matching strategy is used by the Trustee.

(i) Funding arrangements

Funding arrangements are reviewed at least every three years following the release of the triennial actuarial review. Contribution rates are set after discussions between the employer, STC and NSW Treasury.

Funding positions are reviewed annually and funding arrangements may be adjusted as required after each annual review.

(j) Expected contributions

The expected contributions for the year ending 31 December 2026 as advised by the Actuary of the respective funds is \$590,000 (December 2025: \$590,000).

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Notes to the Financial Statements For the Year Ended 31 December 2025

15 Defined Benefit Fund (continued)

(k) Maturity profile of defined benefit obligation

The weighted average duration of the defined benefit obligation is 9.6 years (2024: 9.9 years).

(l) Description of significant events

There were no fund amendments, curtailments or settlements during the year.

(m) Description of risks

There are a number of risks to which the Fund exposes the Employer. The more significant risks relating to the defined benefits are:

- **Investment risk** - The risk that investment returns will be lower than assumed and the Employer will need to increase contributions to offset this shortfall.
- **Longevity risk** - The risk that pensioners live longer than assumed, increasing future pensions.
- **Pension indexation risk** - The risk that pensions will increase at a rate greater than assumed, increasing future pensions.
- **Salary growth risk** - The risk that wages or salaries (on which future benefit amounts for active members will be based) will rise more rapidly than assumed, increasing defined benefit amounts and thereby requiring additional employer contributions.
- **Legislative risk** - The risk is that legislative changes could be made which increase the cost of providing the defined benefits.

The defined benefit fund assets are invested with independent fund managers and have a diversified asset mix. The Fund has no significant concentration of investment risk or liquidity risk.

16 Reserves

(a) General fund

The General Fund includes all current and prior period retained earnings. Refer to Statement of Changes in Equity for the Fund balance.

(b) Special Reserve: 1984 Conference

This reserve was established by the 1984 Annual Conference decision to create a reserve to withstand direct attacks/threats on the Federation. Initially set at a rate of 2.5% of initial membership contributions being allocated to the fund, now being well established, this reserve balance has been set at the equivalent of six months of running costs. The expenditure of funds must be for the stated purpose and can only occur by a two-thirds majority vote by the Branch Council as a recommendation from the Branch Executive. Refer to Statement of Changes in Equity for the Fund balance.

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Notes to the Financial Statements

For the Year Ended 31 December 2025

16 Reserves (continued)

(c) Public Education Fund

This fund is for the specific purpose of positively promoting and advertising the professional achievements of public school and TAFE college teachers, and the public education system. The fund will be expended in a manner determined by Executive and consistent with this purpose. Central and local fund expenditure will be co-ordinated with the following focus:

- i. promoting and advertising of the current professional achievements of teachers in the public education system; and
- ii. promoting and advertising of the public education system which may include highlighting priorities that require more resources from Government.

Refer to Statement of Changes in Equity for the Fund balance.

17 Capital and leasing commitments

(a) Operating leases - receivable

	2025	2024
	\$	\$
Operating lease rentals receivable:		
- not later than 1 year	1,303,381	1,194,225
- between 1 year and 5 years	1,563,669	1,924,611
	<u>2,867,050</u>	<u>3,118,836</u>

All properties held by the Federation (refer note 10) are predominantly held to meet service delivery requirements rather than to earn rental income or capital gains. However, some surplus space is leased out to third parties.

The above includes property lease commitment receivables for property owned by the Federation terms vary from 1 year to a maximum of 6 years from the financial year end date, with leases including provisions for fixed increases in rent.

(b) Capital commitments

Capital commitments	<u>886,947</u>	<u>138,704</u>
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Capital commitments (including GST) relate to various capital projects, including software acquisition, equipment purchases, and building refurbishment.

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Notes to the Financial Statements

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18 Financial Risk Management

The main risks the Federation is exposed to through its financial instruments are credit risk, liquidity risk and market risk consisting of interest rate risk.

The Federation's financial instruments consist mainly of deposits with banks, accounts receivable and payable.

The totals for each category of financial instruments, measured as detailed in the accounting policies to these financial statements, are as follows:

	Note	2025 \$	2024 \$
Financial Assets			
Cash and cash equivalents	6	3,708,172	4,603,082
Trade and other receivables	7	3,398,662	3,108,170
Financial assets at amortised cost	8	83,340,745	73,409,518
Total financial assets		90,447,579	81,120,770
Financial Liabilities			
Trade and other payables		2,415,498	2,431,971
Lease liabilities	12	941,971	1,035,960
Total financial liabilities		3,357,469	3,467,931

(a) Liquidity risk

Liquidity risk arises from the Federation's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Federation will encounter difficulty in meeting its financial obligations as they fall due.

The Federation's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Federation maintains cash and marketable securities to meet its liquidity requirements.

At the reporting date, these reports indicate that the Federation is expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

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Notes to the Financial Statements

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18 Financial Risk Management (continued)

(a) Liquidity risk (continued)

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

	Less than 12 months		1 to 5 years	
	2025	2024	2025	2024
	\$	\$	\$	\$
Trade and other payables	2,954,915	2,845,392	-	-
Lease liabilities	181,198	163,583	760,773	872,377
	3,136,113	3,008,975	760,773	872,377

(b) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Federation.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to customers, including outstanding receivables and committed transactions.

The Federation has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults.

Trade receivables consist of a large number of customers, spread across diverse geographical areas. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

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Notes to the Financial Statements For the Year Ended 31 December 2025

18 Financial Risk Management (continued)

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (interest rate risk).

The Federation is exposed to interest rate risk as it holds term deposit and bank account balances.

Exposure to interest rate risk arises on financial assets recognised at the end of the reporting period. Whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Federation is also exposed to earnings volatility on floating rate instruments.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposures in existence at the end of the reporting period.

As at balance date, a 0.5% increase or decrease in interest rates would impact equity and profit or loss by the amounts shown below. This analysis assumes that other variables are held constant. There has been no material impact to the statements.

	Profit		Equity	
	0.5% increase	0.5% decrease	0.5% increase	0.5% decrease
2025	416,704	(416,704)	416,704	(416,704)
2024	367,048	(367,048)	367,048	(367,048)

The sensitivity analysis is performed on the same basis as in the prior year.

(d) Net income/(expense) from financial assets/(liabilities)

	Note	2025	2024
		\$	\$
Interest income	4	3,842,680	3,689,182
Interest expense	12	(62,559)	(66,451)

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19 Interests of Key Management Personnel

The totals of remuneration paid to the key management personnel of the Federation during the year are as follows:

	2025	2024
	\$	\$
Short-term employee benefits	1,962,366	1,852,168
Post-employment benefits	219,969	190,351
Other long-term benefits	(15,955)	62,118
	<u>2,166,380</u>	<u>2,104,637</u>

20 Remuneration of Auditor

Remuneration of the auditor:

- audit and other assurance services	66,145	62,649
- other services*	10,855	10,481
	<u>77,000</u>	<u>73,130</u>

**Other services include specific accounting advice within the scope of independence requirements and taxation assistance / financial statements preparation assistance performed by a team independent of the audit.*

21 Fair Value Measurement

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

Fair values derived may be based on information that is estimated or subject to judgement, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair value is extracted from the market, with more reliable information available from markets that are actively traded. In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

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Notes to the Financial Statements

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21 Fair Value Measurement (continued)

Fair value hierarchy

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

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

The Federation does not have any assets or liabilities measured at fair value, other than the defined benefit fund as disclosed at note 15(e).

22 Related Party Information

(a) Key management personnel

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any Divisional Executive (whether Executive or otherwise) of that entity are considered key management personnel.

For details of remuneration disclosures relating to key management personnel, refer to Note 19 - Interests of Key Management Personnel (KMP).

(b) Other related parties

Reporting units are defined in section 242 of the *Fair Work (Registered Organisations) Act 2009*. Accordingly, the Australian Education Union and all of its Branches are considered to be reporting units and related parties.

Associations

Over many years, regional Associations of the Federation have been formed under the Rules, with each Association consisting of at least 15 Federation members. The Associations are autonomous organisations with their own meeting standing orders, which are aligned with those of the Federation, and they are required to abide by decisions and policies of the Branch Conference, Branch Council and Branch Executive. On an annual basis the Branch Executive provide for the payment of funds to each Association, which may only be applied to further the objects of the Federation and the expenses of its operations and management. This is recorded as a single expense line item of the Federation.

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Notes to the Financial Statements

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22 Related Party Information (continued)

(b) Other related parties (continued)

In 2018 the Branch Executive resolved to centralise the administration of all bank accounts of the Associations of the Federation, as a means of providing administrative assistance. As at balance date, not all Associations have centralised their bank accounts.

The ultimate control of the Associations' funds remain with the respective Associations, being held in trust and recorded as a liability of the Federation in sundry payables at note 13, and expenditures treated as reductions in the funds held in trust liability (as opposed to being an expense of the Federation).

Accordingly, during the year, the following transactions and balances were relevant to the Federation's administration of the funds held in trust of the Associations, collectively:

	2025	2024
	\$	\$
Opening Balance	1,400,040	1,361,553
Funds transferred to the Federation	1,625	9,195
Payments from the Federation to Associations*	355,385	355,492
Net income and expenditures on behalf of Associations	(302,785)	(326,200)
Balance of funds held in trust	1,454,265	1,400,040

* No funds were paid to Associations that were not centrally administered.

(c) Related Party Transactions

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

Australian Education Union:

Refer to note 26(a) for further details of transactions with the Australian Education Union (Federal Office).

From time to time the Federation makes expenditures for which a component relates to other branches (reporting units). These expenditures are then reimbursed to the Federation at cost hence they are not considered to be related party transactions.

Australian Education Union

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Notes to the Financial Statements

For the Year Ended 31 December 2025

23 Cash Flow Information

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

	Note	2025 \$	2024 \$
Result for the year		8,112,125	9,135,695
Non-cash flows in the result:			
- depreciation and amortisation		2,440,349	2,551,582
- impairment of asset		224,401	-
- net (gain)/loss on disposal of fixed assets		(119,618)	802,295
- Defined Benefit Fund current service cost and interest	15(a)	32,153	300
Changes in assets and liabilities:			
- decrease/(increase) in trade and other receivables		(290,492)	(564,590)
- (increase)/decrease in other assets		82,770	(138,715)
- (decrease)/increase in provision for employee benefits		(606,546)	(373,384)
- increase/(decrease) in income in advance		(128,774)	(58,946)
- increase/(decrease) in trade and other payables		492,678	(1,350,880)
Cashflow from operations		<u>10,239,046</u>	<u>10,003,357</u>

(b) Non-cash financing and investing activities

Acquisition of assets by means of leases		<u>59,466</u>	<u>184,732</u>
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24 Contingent Liabilities and Contingent Assets

(a) Contingent liabilities

As noted in accounting policy note 2(e) as a benefit of membership, the Federation has undertaken to fund the future legal costs of a number of member matters. Whilst it is difficult to quantify the commitment that has been made, the Federation's exposure to costs being incurred is limited and can be controlled. Accordingly, the collective value of the potential contingent liability to the Federation is not able to be measured reliably, nor is it considered to be material, and hence no further information has been disclosed.

As at the balance date, the Federation does not have a material commitment to provide legal assistance to members individually or collectively, over and above what has already been provided for as a liability.

Australian Education Union

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Notes to the Financial Statements

For the Year Ended 31 December 2025

24 Contingent Liabilities and Contingent Assets (continued)

(b) Contingent assets

Similarly, having funded the legal costs of member matters over numerous years, the Federation considers it probable that future recoveries will be made in relation to such legal services disbursements. However, the prospects of success and quantum of recoveries are not able to be measured reliably, nor are they considered to be material, and hence no further information has been disclosed, consistent with note 2(e).

25 Events after the end of the Reporting Period

The financial report was authorised for issue on 12 May 2026 by the Executive.

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Federation, the results of those operations, or the state of affairs of the Federation in subsequent financial periods.

26 Additional disclosures required under the Fair Work (Registered Organisations) Act 2009

(a) Capitation fees and levies

	2025	2024
	\$	\$
Paid to: Australian Education Union - Federal Office		
Capitation fees	2,267,491	2,233,922
ACTU Subscriptions	409,420	413,305
Compulsory levies (Australian Educator and TAFE Teacher)	222,417	231,431
Public Education Campaign	234,124	243,612
Education International	169,423	170,094
Total capitation fees and levies	3,302,875	3,292,364

On the Statement of Profit or Loss and Other Comprehensive Income an amount of \$260,000 (2024: \$250,000) has been included in "Grants paid" for contributions paid to the International Trust Fund.

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Notes to the Financial Statements

For the Year Ended 31 December 2025

26 Additional disclosures required under the Fair Work (Registered Organisations) Act 2009 (continued)

(b) Affiliation fees and periodic subscriptions expense

	2025	2024
	\$	\$
Unions NSW	236,398	213,330
Newcastle Labor Council	13,893	2,590
South Coast Labour Council	21,200	19,933
Other Affiliates	21,336	31,619
Welfare Rights Council	20,808	20,808
Total affiliation fees and periodic subscriptions	313,635	288,280

(c) Grants and donations

Grants:

Total expensed that were \$1,000 or less	3,475	2,721
Total expensed exceeding \$1,000	690,585	734,483
	694,060	737,204

Donations

Total expensed that were \$1,000 or less	-	810
Total expensed exceeding \$1,000	22,000	1,818
	22,000	2,628

Total	716,060	739,832
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As per accounting policy note 2(e), the Federation provides certain member services such as legal support, which are not considered to be donations or grants requiring financial statement disclosure.

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Notes to the Financial Statements

For the Year Ended 31 December 2025

26 Additional disclosures required under the Fair Work (Registered Organisations) Act 2009 (continued)

(d) Employee expenses

	Note	2025 \$	2024 \$
Holders of Office			
Wages and salaries		1,596,656	1,611,628
Superannuation		219,969	190,351
Leave and other entitlements		349,755	302,001
Other employee expenses (including FBT, payroll tax and other)		119,962	113,045
Subtotal employee expenses holders of office		2,286,342	2,217,025
Employees other than office holders			
Wages and salaries		16,583,658	15,271,004
Superannuation		2,233,291	2,105,292
Leave and other entitlements		2,934,136	3,005,864
Separation and redundancies		94,024	90,427
Other employee expenses (including FBT, payroll tax and other)		1,335,970	1,199,147
Employees other than office holders		23,181,079	21,671,734
Defined benefit Fund	5, 15(a)	32,153	300
Total employee expenses		25,499,574	23,889,059

(e) Miscellaneous disclosures

Fees/allowances in respect of attendances at conferences/meetings as representatives of the Union [already included at 26(d)]		-	-
Meetings and conferences expenses: members, council, committees, panels or other bodies		3,591,787	3,695,099
Legal costs:			
- Litigation		294,464	297,524
- Other legal matters		193,858	179,286
		488,322	476,810

Australian Education Union New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Notes to the Financial Statements

For the Year Ended 31 December 2025

26 Additional disclosures required under the Fair Work (Registered Organisations) Act 2009 (continued)

(f) Revenue disclosure

	Note	2025 \$	2024 \$
Grants received	4	80,096	86,840

(g) Cashflows with other reporting units

Australian Education Union - Federal Office

Cash outflows	3,656,122	3,650,398
Cash outflows - International Trust Fund	286,000	275,000
	<u>3,942,122</u>	<u>3,925,398</u>

Australian Education Union - Federal Office

Cash inflows	8,514	22,246
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27 Section 272 Fair Work (Registered Organisations) Act 2009

In accordance with the requirements of the *Fair Work (Registered Organisations) Act 2009*, the attention of the members is drawn to the provisions of subsections (1) and (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).

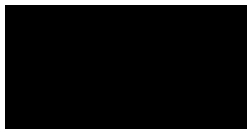
Australian Education Union New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Report required under Subsection 255(2A) For the Year Ended 31 December 2025

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Australian Education Union New South Wales Teachers Federation Branch for the year ended 31 December 2025.

Categories of expenditure	2025 \$	2024 \$
Remuneration and other employment related costs and expenses - employees	25,499,574	23,889,059
Advertising	2,667	4,682
Operating costs	14,277,403	13,370,678
Donations to political parties	-	-
Legal costs	488,322	476,810



Jeffrey Conroy
Custodian

Dated: 12 May 2026



Maxine Sharkey
Branch Secretary

Australian Education Union

New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Officer Declaration Statement For the Year Ended 31 December 2025

I, Jeffrey Conroy, being the Branch Custodian and Maxine Sharkey, being Branch Secretary of the Australian Education Union New South Wales Teachers Federation Branch, declare that the following activities did not occur during the reporting period ending 31 December 2025 (including the comparative year).

The reporting unit did not:

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

Australian Education Union New South Wales Teachers Federation Branch

ABN: 86 600 150 697

Officer Declaration Statement For the Year Ended 31 December 2025

- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- ~~have a annual leave provision in respect of employees (other than holders of office)~~
- ~~have a long service leave provision in respect of employees (other than holders of office)~~
- ~~have a separation and redundancy provision in respect of employees (other than holders of office)~~
- have other employee provisions in respect of employees (other than holders of office)
- ~~have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch~~
- ~~transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity~~
- ~~have a balance within the general fund~~
- ~~provide cash flows to another reporting unit and/or controlled entity~~
- ~~receive cash flows from another reporting units and/or controlled entity~~
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit



Jeffrey Conroy
Custodian



Maxine Sharkey
Branch Secretary

Dated: 12 May 2026

Independent Audit Report

To the members of Australian Education Union New South Wales Teachers Federation Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Education Union New South Wales Teachers Federation Branch ("the Federation"), which comprises the statement of financial position as at 31 December 2025, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2025, and notes to the financial statements, including a summary of material accounting policies, the Committee of Management Statement, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Education Union New South Wales Teachers Federation Branch as at 31 December 2025, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a. the 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 management's use of the going concern basis in the preparation of the financial statements of the Federation is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Federation 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 fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Independent Audit Report

To the members of Australian Education Union New South Wales Teachers Federation Branch

Information Other than the Financial Report and Auditors Report Thereon

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 Federation are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the Committee of Management are responsible for assessing the Federation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Committee of Management either intend to liquidate the Federation or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



Independent Audit Report

To the members of Australian Education Union New South Wales Teachers Federation Branch

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Federation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Managements' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Federation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Federation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

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


Daley Audit


Stephen M. Gate
Partner

Registration number (as required under the RO Act): AA2017/127

Wollongong

Dated: 12 May 2026

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