



Fair Work
Commission

10 June 2026

Nicole Calnan
Secretary
Australian Education Union

Sent via email: aeu@aeufederal.org.au

CC: snguyen@hallchadwickmelb.com.au

Dear Nicole Calnan

**Australian Education Union
Financial Report for the year ended 31 December 2025 – FR2025/240**

I acknowledge receipt of the financial report for the year ended 31 December 2025 for the Australian Education Union Branch (the reporting unit). The documents were lodged with the Fair Work Commission (the Commission) on 10 June 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

Australian Education Union
S268 Fair Work (Registered Organisations) Act 2009

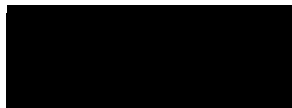
CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 December 2025

I, Nicole Calnan, being the Federal Secretary of the Australian Education Union certify:

- that the document lodged herewith is a copy of the full report for the Australian Education Union Federal Office for the period ended 31 December 2025 referred to in section 268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 27 May 2026; and
- that the full report was presented to a meeting of the Federal Executive of the reporting unit on 28 May 2026 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:

A black rectangular box redacting the signature of the prescribed designated officer.

Name of prescribed designated officer: Nicole Calnan

Title of prescribed designated officer: Federal Secretary

Dated: 10 June 2026

Australian Education Union - Federal Office

ABN 16 006 296 647

FINANCIAL REPORT - 31 December 2025

Australian Education Union - Federal Office
Operating report
31 December 2025

The Federal Executive presents their report on the Australian Education Union - Federal Office (The AEU-Federal Office) for the financial year ended 31 December 2025.

Member of executive

The Federal Executive is elected for a two-year term commencing on 1 March and ending two years later at the end of February. The current two-year term ends on 28 February 2026. The name of each person who has been a member of the Federal Executive at any time during the 2025 financial year is as follows:

Name	Position
Correna Haythorpe**	Federal President
Meredith Peace	Deputy Federal President
Erin Aulich**	General Division
Briley Stokes	General Division
Justin Mullaly	General Division
Matthew Jarman**	General Division
Mary Franklyn	General Division
Angela Burroughs	General Division
Henry Rajendra	General Division
Mel Smith**	General Division
Amber Flohm	General Division
Natasha Watt	General Division
Kevin Bates** (until 3 October 2025)	Federal Secretary
Nicole Calnan** (Federal Secretary from 4 October 2025)	Deputy Federal Secretary/Federal Secretary
Michelle Purdy (until 11 April 2025)	Federal TAFE President
Elaine Gillespie (from 13 May 2025)	Federal TAFE President
Michelle Ayres	General Division
Leah Olsson	General Division
Cresta Richardson**	General Division
Kate Ruttiman	General Division
David Genford	General Division
Micheal Beale	Aboriginal & Torres Strait Islander Representative
Cara Nightingale	Early Childhood Representative
Andrew Beattie (from 14 April 2025)	Principals Committee Representative

** members of Financial Committee

Australian Education Union - Federal Office
Operating report
31 December 2025

Review of principal activities

The AEU is a professional and industrial organisation, registered under the *Fair Work (Registered Organisations Act) 2009*, representing teachers and other education workers in public early childhood education centres, schools and TAFE colleges across Australia. The AEU is a democratic, federated structure, with a Federal Office, based in Melbourne, and branches in every state and territory of Australia.

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

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

The AEU Federal Executive has set the following strategic objectives:

- To achieve equitable, sustainable, recurrent Government funding of public education across early childhood, schools and TAFE.
- To protect and promote quality teaching and learning.
- To protect and promote quality teaching and learning environments.
- To ensure that the AEU is a growing, active campaigning, democratic union.
- To promote, defend and advocate for human rights and social justice.

The principal activities of the AEU-Federal Office during the financial year have focussed on the achievement of these strategic objectives.

Significant changes in the financial affairs

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

Australian Education Union - Federal Office
Operating report
31 December 2025

Right of members to resign

Members may resign from the union in accordance with rule 17, which reads as follows:

"17 - Resignation from membership and termination of eligibility

- (1) Subject to sub-rule 17(1A) a member becomes ineligible for membership of the Union when he/she no longer meets the conditions of eligibility for membership of the Union.
- (1A) The following persons shall after the date referred to in sub-rule 5(12) be eligible to retain membership of the Union notwithstanding the fact that they are no longer eligible for membership within the conditions of eligibility for membership set out in rule 5:
 - (a) members who are eligible for membership pursuant to paragraphs 5(3)(a), (b) or (c) and are -
 - (i) seconded by their employer to non-teaching duties, or
 - (ii) appointed by the Minister for Education to any Board, Committee or statutory authority;
 - (b) members who were formerly eligible for membership pursuant to paragraph 5(4)(a), (b) or (c) and have commenced to be employed elsewhere in the Victorian Education Department or in a technical and further education institution or by the Technical and Further Education Board or are seconded by their employer to perform professional duties requiring teacher qualifications;
 - (d) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d);provided that persons who are entitled to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.
- (2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.
- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.
- (4) A notice of resignation from membership takes effect:-
 - (a) here the member ceases to be eligible to become a member of the Union -
 - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member;whichever is later; or
 - (b) in any other case -
 - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
 - (ii) on the day specified in the notice;whichever is later.
- (5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a year before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- (8) (A resignation from membership is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.
- (10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.
- (11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."

Australian Education Union - Federal Office
Operating report
31 December 2025

Number of members

In accordance with Section 230 of the *Fair Work (Registered Organisations) Act 2009*, the union had 186,964 members (comprised of 185,243 financial members and 1,721 unfinancial members) at the end of the reporting period.

Number of employees

The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis at 31 December 2025 was 20.39 (2024: 19).

Superannuation trustees

To the best of the Federal Executive's belief and knowledge, no officer or member of the organisation, by virtue of their office or membership of the Australian Education Union is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme: or
- (ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme: and
- (iii) where the criterion for the officer or member being a trustee or director is that the officer or member is an officer or member of a registered organisation.

Signed in accordance with a resolution of the Federal Executive:

Signature of designated officer:



Name of designated officer:

Nicole Calnan

Title of designated officer:

Federal Secretary

Date

27 May 2026

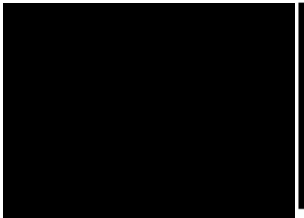
AUSTRALIAN EDUCATION UNION FEDERAL
ABN 16 006 296 647

AUDITOR'S INDEPENDENCE DECLARATION
TO THE EXECUTIVE OF AUSTRALIAN EDUCATION UNION FEDERAL

I declare that, to the best of my knowledge and belief, in relation to the audit of Australian Education Union Federal for the year ended 31 December 2025 there have been:

- (i) No contraventions of the auditor independence requirements as set out by our professional bodies CPA Australia and Chartered Accountants Australia and New Zealand; and
- (ii) No contraventions of any applicable code of professional conduct in relation to the audit.

Hall Chadwick Melbourne Audit
Chartered Accountants
Level 14, 440 Collins Street
MELBOURNE VIC 3000



Anh (Steven) Nguyen
Registered Company Auditor
Director

Dated: 27 May 2026

Australian Education Union - Federal Office
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General information

The financial statements cover Australian Education Union - Federal Office as an individual entity. The financial statements are presented in Australian dollars, which is Australian Education Union - Federal Office's functional and presentation currency.

Australian Education Union - Federal Office is a registered body under the *Fair Work (Registered Organisations) Act 2009* and is domiciled in Australia.

Principal place of business

Australian Education Union – Federal Office
G/F, 120 Clarendon Street
SOUTH BANK VIC 3006

A description of the nature of the organisation's operations and its principal activities are included in the operating report, which is not part of the financial statements.

The financial report was authorised for issue by the Committee of Management on 27 May 2026.

Australian Education Union - Federal Office
Statement of comprehensive income
For the year ended 31 December 2025

	Note	2025 \$	2024 \$
Revenue from contracts with customers	4	10,563,547	10,286,671
Other revenue	4	1,475,020	1,329,899
Expenses			
Administrative and other expenses	5	(795,318)	(822,756)
Capitation, affiliation fees and levies	6	(1,852,632)	(1,820,643)
Campaign and project expenses	7	(4,304,661)	(2,365,112)
Depreciation and amortisation	8	(60,822)	(47,656)
Employee expenses	9	(4,803,231)	(4,003,119)
ITF allocation		(100,000)	(100,000)
Property expenses - Market Street	10	(453,909)	(142,974)
Legal and professional fees	11	(152,462)	(143,067)
Meeting and conference expenses	12	(843,056)	(1,008,062)
Publications	13	(782,766)	(899,005)
Finance costs	14	(456,912)	(161,061)
Fair value movement in investment property	19	(1,022,380)	-
Loss on revaluation of property, plant and equipment	18	(639,514)	-
		(16,267,663)	(11,513,455)
(Deficit)/surplus for the year	26	(4,229,096)	103,115
Other comprehensive income for the year		-	-
Total comprehensive (loss)/income for the year attributable to the members		(4,229,096)	103,115

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Australian Education Union - Federal Office
Statement of financial position
As at 31 December 2025

	Note	2025 \$	2024 \$
Assets			
Current assets			
Cash and cash equivalents	15	8,299,189	5,016,986
Trade and other receivables	16	607,280	722,950
Prepayments		267,590	355,005
Other financial assets	17	457,092	5,767,694
Total current assets		<u>9,631,151</u>	<u>11,862,635</u>
Non-current assets			
Other financial assets	17	5,206,701	5,206,701
Property, plant and equipment	18	7,908,664	230,063
Investment property	19	12,150,000	21,411,894
Right-of-use assets	20	18,858	27,561
Total non-current assets		<u>25,284,223</u>	<u>26,876,219</u>
Total assets		<u>34,915,374</u>	<u>38,738,854</u>
Liabilities			
Current liabilities			
Trade and other payables	21	431,268	335,261
Lease liabilities	23	9,038	8,690
Provision for employee benefits	24	1,456,153	1,134,549
Total current liabilities		<u>1,896,459</u>	<u>1,478,500</u>
Non-current liabilities			
Borrowings	22	8,000,000	8,000,000
Lease liabilities	23	10,977	20,015
Provision for employee benefits	24	5,796	9,101
Total non-current liabilities		<u>8,016,773</u>	<u>8,029,116</u>
Total liabilities		<u>9,913,232</u>	<u>9,507,616</u>
Net assets		<u>25,002,142</u>	<u>29,231,238</u>
Equity			
Reserves	25	8,867,486	10,610,704
General fund	26	16,134,656	18,620,534
Total equity		<u>25,002,142</u>	<u>29,231,238</u>

The above statement of financial position should be read in conjunction with the accompanying notes

Australian Education Union - Federal Office
Statement of changes in equity
For the year ended 31 December 2025

	Reserves \$	General fund \$	Total equity \$
Balance at 1 January 2024	10,558,064	18,570,059	29,128,123
Surplus for the year	-	103,115	103,115
Other comprehensive income for the year	-	-	-
Transfer to/from general fund	52,640	(52,640)	-
Balance at 31 December 2024	<u>10,610,704</u>	<u>18,620,534</u>	<u>29,231,238</u>
	Reserves \$	General fund \$	Total equity \$
Balance at 1 January 2025	10,610,704	18,620,534	29,231,238
Deficit for the year	-	(4,229,096)	(4,229,096)
Other comprehensive income for the year	-	-	-
Transfer to/from general fund	(1,743,218)	1,743,218	-
Balance at 31 December 2025	<u>8,867,486</u>	<u>16,134,656</u>	<u>25,002,142</u>

The above statement of changes in equity should be read in conjunction with the accompanying notes

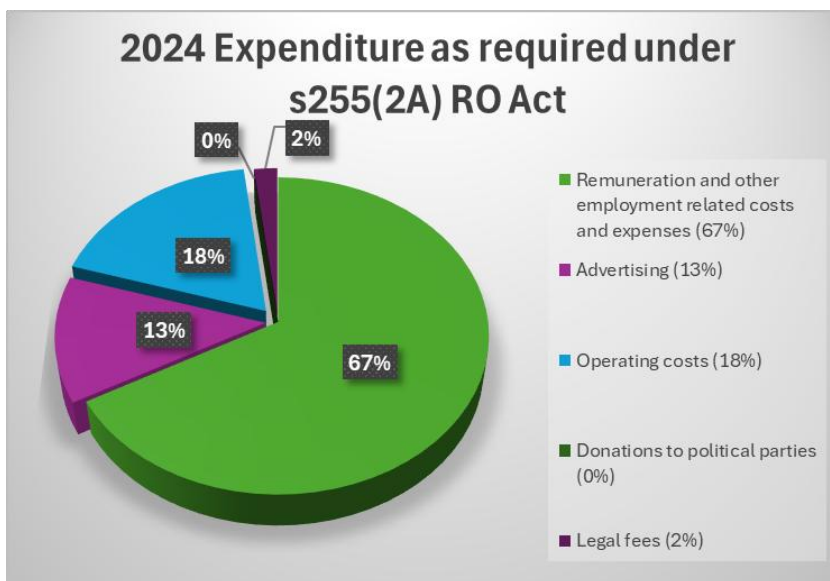
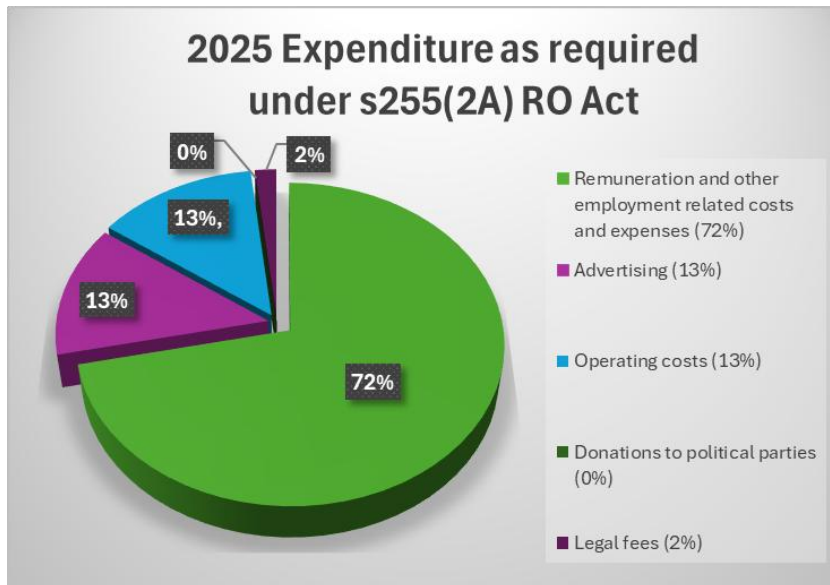
Australian Education Union - Federal Office
Statement of cash flows
For the year ended 31 December 2025

	Note	2025 \$	2024 \$
Cash flows from operating activities			
Receipts of affiliation, capitation fees and levies	32(a)	10,558,410	10,289,829
Receipts from controlled entities		-	-
Receipts of campaign contributions from branches	32(b)	809,582	826,488
Receipts of other income from branches & other reporting units	32(c)	383,048	307,614
Sundry receipts		892,876	892,508
Rental income		1,329,419	-
Payments to suppliers and employees		(15,784,208)	(13,230,914)
Payment to controlled entities		-	-
Payment to branches & other reporting units	32(d)	(266,534)	(478,275)
Distribution received		78,664	57,114
Interest received		544,707	620,821
Interest paid - lease liabilities		(1,150)	(1,485)
Interest paid CBA - Market Street		(315,726)	(86,938)
Facility fees paid CBA - Market Street		(144,000)	(31,167)
Establishment fees paid CBA - Market Street		-	(12,000)
Net cash used in operating activities	32(e)	<u>(1,914,912)</u>	<u>(846,405)</u>
Cash flows from investing activities			
Purchase of plant and equipment		(29,329)	(157,750)
Purchase of land and building – Market Street		-	(21,411,894)
Purchase of building improvements		(95,675)	-
Redemption of term deposit		5,330,809	13,240,275
Net cash from/(used in) investing activities		<u>5,205,805</u>	<u>(8,329,369)</u>
Cash flows from financing activities			
Proceeds from borrowings	22	-	8,000,000
Repayment of lease liabilities		(8,690)	(8,355)
Net cash from/(used in) financing activities		<u>(8,690)</u>	<u>7,991,645</u>
Net increase/(decrease) in cash and cash equivalents		3,282,203	(1,184,129)
Cash and cash equivalents at the beginning of the financial year		<u>5,016,986</u>	<u>6,201,115</u>
Cash and cash equivalents at the end of the financial year	15	<u><u>8,299,189</u></u>	<u><u>5,016,986</u></u>

The above statement of cash flows should be read in conjunction with the accompanying notes

Australian Education Union - Federal Office
Report required under subsection 255(2A)
31 December 2025

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the reporting unit for the year ended 31 December 2025.



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

Signature of designated officer:  _____

Name of designated officer: Nicole Calnan

Title of designated officer: Federal Secretary

Date: 27 May 2026

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Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 1. Summary of material accounting policies

The accounting policies that are material to the organisation are set out below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

Adoption of New Australian Accounting Standards and amendments

The organisation has adopted all new and amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are relevant to the organisation and effective for the current reporting period.

Certain standards became effective in prior periods but have been reflected in the financial statements in the current period. The adoption of these standards has not had a material impact on the financial statements.

Title of standard	AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
Nature of change	<p>This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period.</p> <p>The amendments to AASB 101 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:</p> <ul style="list-style-type: none"> • What is meant by a right to defer settlement • That a right to defer must exist at the end of the reporting period • That classification is unaffected by the likelihood that an entity will exercise its deferral right • That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification <p>In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. See AASB 2022-6 below for details.</p>
Application date	This Standard applies to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The amendments have not had a material impact on the organisation's financial statements.

Title of standard	AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants
Nature of change	<p>This amends AASB 101 to improve the information an entity provides in its financial statements about long-term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity's complying with conditions specified in the loan arrangement.</p> <p>The right to defer settlement of liabilities might be subject to the entity complying with covenants within twelve months after the reporting date. In such cases, AASB 2022-6 requires entities with liabilities classified as non-current to disclose information to enable users to understand the risk of liabilities becoming repayable within twelve months after the reporting period. Entities must disclose information about the covenants. In addition, if facts and circumstances indicate that the entity may have difficulty complying with the covenants, they must be disclosed. To meet this requirement, factors entities must consider include whether it has acted to avoid or mitigate a potential breach, either during or after the reporting period, and whether it would have complied with future covenants, had they been tested at the end of the reporting period.</p>
Application date	This Standard applies to annual reporting periods beginning on or after 1 January 2024. Earlier application is permitted.

The amendments have resulted in additional disclosures in Note 22 but have not affected the classification of the organisation's liabilities.

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 1. Summary of material accounting policies (continued)

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

(a) Basis of preparation

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

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

Compliance with Australian Accounting Standards Australian Accounting

Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the AEU-Federal Office applying not-for-profit specific requirements contained in the Australian Accounting Standards.

Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments), certain classes of plant and equipment, and investment property – measured at fair value or revalued amount
- assets held for sale – measured at the lower of carrying amount and fair value less costs to sell, and
- defined benefit pension plans – plan assets measured at fair value.

(b) Taxation

AEU-Federal Office is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

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

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

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

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

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 1. Summary of material accounting policies (continued)

(c) Revenue recognition

The AEU-Federal Office enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of capitation fees, levies, grants, and donations.

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

Revenue from contracts with customers

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

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

Affiliation and capitation fees and levies

Where the entity arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, the entity recognises the affiliation and capitation fees and levies promised under that arrangement when or as it transfers the entity to specify the goods or services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit.

In circumstances where the criteria for a contract with a customer are not met, the entity will recognise affiliation and capitation fees and levies as income upon receipt.

Campaign contributions from branches

Campaign contributions from branches are recognised on an accruals basis when the right to receive the fee or levy has been established.

Income of the AEU-Federal Office as a Not-for-Profit Entity

Consideration is received by the AEU-Federal Office to enable the entity to further its objectives. The AEU-Federal Office recognises each of these amounts of consideration as income when the consideration is received (which is when the organisation obtains control of the cash because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- the AEU-Federal Office's recognition of the cash contribution does not give rise to any related liabilities.

Interest income

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

Rental income

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

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Note 1. Summary of material accounting policies (continued)

All revenue is stated net of the amount of Goods and Services Tax (GST).

(d) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(e) Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(f) Financial assets

Contract assets and receivables

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

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

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

Initial recognition and measurement

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

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

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

The entity's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the entity commits to purchase or sell the asset.

Note 1. Summary of material accounting policies (continued)

Subsequent measurement

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

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

The entity only has the following financial assets: financial assets at amortised cost and financial assets at fair value through profit or loss.

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income include equity investments which the organisation intends to hold for the foreseeable future and has irrevocably elected to classify them as such upon initial recognition.

Financial assets at amortised cost

Financial assets are measured at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Investments includes non-derivative financial assets with fixed or determinable payments and fixed maturities where the organisation has the positive intention and ability to hold the financial asset to maturity. This category excludes financial assets that are held for an undefined period. Investments are carried at amortised cost using the effective interest rate method adjusted for any principal repayments. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

These financial assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in statement of comprehensive income. Any gain or loss on derecognition is recognised in statement of comprehensive income.

Financial assets at fair value through profit or loss (FVTPL)

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

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

Note 1. Summary of material accounting policies (continued)

Offsetting

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

Derecognition

A financial asset is derecognised when:

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

When the entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the entity continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the entity applies a simplified approach in calculating expected credit losses (ECLs) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables. Therefore, the entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The entity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

Note 1. Summary of material accounting policies (continued)

(g) Impairment of assets

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(h) Property, plant and equipment

Each class of plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the AEU-Federal Office commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate	Depreciation basis
Office and computer equipment	20 -33%	diminishing value
Furniture and fittings	10%	straight line
Motor vehicle	22.5%	straight line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the statement of comprehensive income.

During the current year, land and building previously classified as investment property were reclassified to property, plant and equipment as they are now held for use in the operations of the organisation.

On reclassification, the land and building was measured at fair value as at the date of change in use, which became their deemed cost.

Subsequent to reclassification, land and buildings are measured using the revaluation model and are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

Building improvements are measured at fair value, consistent with the related building classified within property, plant and equipment. Improvements that enhance the functionality or service potential of existing buildings are capitalised. Depreciation commences when the improved asset is available for use, while improvements not yet available for use at the reporting date are not depreciated. Expenditure that does not meet the capitalisation criteria, including repairs and maintenance, is recognised in profit or loss as incurred.

Note 1. Summary of material accounting policies (continued)

(i) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the organisation expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

Class of ROU asset	Lease term	Depreciation basis
Office equipment	5 years	straight line

(j) Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

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

(k) Financial liabilities

Initial recognition and measurement

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

Financial liabilities at amortised cost

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in statement of comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition

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

Note 1. Summary of material accounting policies (continued)

(l) Liabilities relating to contracts with customers

Contract liabilities

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

Refund liabilities

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

(m) Borrowings

Loans and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs.

(n) Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the organisation's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Short-term leases and leases of low-value assets

The AEU-Federal Office has elected not to recognise right-of-use assets and lease liabilities for leases with a lease term of 12 months or less in line with AASB 16. Periodic lease payments for these short-term leases are recognised as an expense over the lease term.

Note 1. Summary of material accounting policies (continued)

(o) Employee benefits

(i) Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the statement of financial position.

(ii) Other long-term employee benefits

The liabilities for long service leave and annual leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the end of the reporting period of government bonds with terms and currencies that match, as closely as possible, the estimated future cash outflows. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in statement of comprehensive income.

The obligations are presented as current liabilities in the statement of financial position if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Termination benefits

Termination benefits are payable when employment is terminated by the entity before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The entity recognises termination benefits at the earlier of the following dates: (a) when the entity can no longer withdraw the offer of those benefits; and (b) when the entity recognises costs for a restructuring that is within the scope of AASB 137 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(p) Fair value measurement

The entity measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets, at fair value at each balance date. Also, fair value of financial instruments are disclosed in Note 36.

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

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

Note 1. Summary of material accounting policies (continued)

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

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The entity uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

For assets and liabilities that are recognised in the financial statements on a recurring basis, the entity determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

(q) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the AEU-Federal Office's functional and presentation currency.

(r) Comparative figures

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

(s) Future Australian Accounting Standards

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the organisation for the annual reporting period ended 31 December 2025. The organisation's assessment of the impact of these new or amended Accounting Standards and Interpretations, most relevant to the organisation, are set out below.

Note 1. Summary of material accounting policies (continued)

AASB 18 Presentation and Disclosure in Financial Statements

This standard is applicable to annual reporting periods beginning on or after 1 January 2027 and early adoption is permitted. The standard replaces IAS 1 'Presentation of Financial Statements', with many of the original disclosure requirements retained and there will be no impact on the recognition and measurement of items in the financial statements. But the standard will affect presentation and disclosure in the financial statements, including introducing five categories in the statement of comprehensive income: operating, investing, financing, income taxes and discontinued operations. The standard introduces two mandatory sub-totals in the statement: 'Operating profit' and 'Profit before financing and income taxes'. There are also new disclosure requirements for 'management-defined performance measures', such as earnings before interest, taxes, depreciation and amortisation ('EBITDA') or 'adjusted profit'. The standard provides enhanced guidance on grouping of information (aggregation and disaggregation), including whether to present this information in the primary financial statements or in the notes. The organisation will adopt this standard from 1 July 2027 and it is expected that there will be a significant change to the layout of the statement of comprehensive income.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

This standard is applicable to annual reporting periods beginning on or after 1 January 2027, assuming the AASB releases an equivalent standard, and early adoption is permitted. The standard is limited in its application, as it only allows subsidiaries without public accountability to apply the disclosure requirements in this standard and the recognition, measurement and presentation requirements in the International Financial Reporting Standards. The organisation will adopt this standard from 1 July 2027 but the impact of its adoption is yet to be assessed by the organisation.

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The organisation does not anticipate that the amendments will have a material effect on the organisation's financial statements.

AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments

Amendments to the Classification and Measurement of Financial Instruments — Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and the introduction of an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026 with early adoption permitted for classification of financial assets and related disclosures only. The organisation does not anticipate that the amendments will have a material effect on the organisation's financial statements. The organisation will adopt this standard from 1 July 2026 but the impact of its adoption is yet to be assessed by the organisation.

Annual Improvements to IFRS Accounting Standards - Volume 11

In July 2024, the IASB issued nine narrow scope amendments as part of its periodic maintenance of IFRS accounting standards. The amendments include clarifications, simplifications, corrections or changes to improve consistency in IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 7 Financial Instruments: Disclosure and its accompanying Guidance on implementing IFRS 7, IFRS 9 Financial Instruments, IFRS 10 Consolidated Financial Statements and IAS 7 Statements of Cash Flows.

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Note 1. Summary of material accounting policies (continued)

The amendments will be effective for reporting periods beginning on or after 1 January 2026. Earlier application is permitted and must be disclosed. The organisation will adopt this standard from 1 July 2026 but the impact of its adoption is yet to be assessed by the organisation.

The amendments are not expected to have a material impact on the organisation's financial statements. The organisation will adopt this standard from 1 July 2026 but the impact of its adoption is yet to be assessed by the organisation.

Note 2. Critical accounting judgements, estimates and assumptions

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

Fair value measurement hierarchy

The organisation is required to classify all assets and liabilities, measured at fair value, using a three level hierarchy, based on the lowest level of input that is significant to the entire fair value measurement, being: Level 1: Quoted prices (unadjusted) 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; and Level 3: Unobservable inputs for the asset or liability. Considerable judgement is required to determine what is significant to fair value and therefore which category the asset or liability is placed in can be subjective.

The fair value of assets and liabilities classified as level 3 is determined by the use of valuation models. These include discounted cash flow analysis or the use of observable inputs that require significant adjustments based on unobservable inputs.

Estimation of useful lives of assets

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

Lease term

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the organisation's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The organisation reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

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Note 2. Critical accounting judgements, estimates and assumptions (continued)

Employee benefits provision

As discussed in note 1, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases and inflation have been taken into account.

Note 3. Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or 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).

Note 4. Revenue

	Notes	2025	2024
		\$	\$
Revenue from contracts with customers			
Affiliation fees and other levies	(a)	1,819,786	1,798,374
Campaign contributions from branches	(b)	735,984	751,352
Capitation fees	(c)	7,128,005	6,889,898
Periodic or membership subscriptions		-	-
Library income		156,857	96,863
Publication income	(d)	23,730	36,400
Publication levy	(e)	699,185	713,784
		10,563,547	10,286,671
Other revenue			
Distribution received		82,394	77,884
Grants and/or donations		-	-
Financial support from another reporting unit		-	-
Revenue from recovery of wages activity		-	-
Income recognised from volunteer services		-	-
Interest income		334,136	904,112
ITF reimbursements		69,009	65,723
Rental income		974,291	271,593
Other revenue		15,190	10,587
		1,475,020	1,329,899

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Note 4. Revenue (continued)

Disaggregation of revenue from contracts with customers

The disaggregation of revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customers:

	2025	2024
	\$	\$
<i>Type of customer</i>		
Branches and associated bodies	10,382,960	10,153,408
Other parties	<u>180,587</u>	<u>133,263</u>
Total revenue from contract with customers	<u><u>10,563,547</u></u>	<u><u>10,286,671</u></u>

Disaggregation of income for furthering activities

The disaggregation of income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by funding source:

	2025	2024
	\$	\$
<i>Income funding source</i>		
Branches and associated bodies	-	-
Other parties	<u>-</u>	<u>-</u>
Total income for furthering activities	<u><u>-</u></u>	<u><u>-</u></u>

(a) Affiliation fees & other levies

	2025	2024
	\$	\$
ACT Branch	39,819	38,862
NSWTF Branch	578,842	583,398
NT Branch	17,692	16,236
QLD Branch	429,490	417,776
SA Branch	115,159	121,169
TAS Branch	48,243	49,064
VIC Branch	418,477	417,535
SSTUWA for the WA Branch	<u>172,064</u>	<u>154,334</u>
	<u><u>1,819,786</u></u>	<u><u>1,798,374</u></u>

The affiliation fees income represents the funding received or receivable from the branches for the Australian Council of Trade Unions and Education International Affiliations.

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 4. Revenue (continued)

(b) Campaign contributions from branches

	2025	2024
	\$	\$
ACT Branch	15,964	16,452
NSWTF Branch	234,124	243,612
NT Branch	7,108	6,896
QLD Branch	172,540	177,244
SA Branch	46,840	47,540
TAS Branch	19,436	20,396
VIC Branch	169,820	175,076
SSTUWA for the WA Branch	70,152	64,136
	<u>735,984</u>	<u>751,352</u>

These contribution from branches are for the campaigns run by the Federal Office.

(c) Capitation fees

	2025	2024
	\$	\$
ACT Branch	154,611	150,865
NSWTF Branch	2,267,491	2,233,922
NT Branch	68,841	63,236
QLD Branch	1,671,050	1,625,328
SA Branch	453,645	435,942
TAS Branch	188,238	187,031
VIC Branch	1,644,707	1,605,447
SSTUWA for the WA Branch	679,422	588,127
	<u>7,128,005</u>	<u>6,889,898</u>

(d) Publication income

	2025	2024
	\$	\$
Australian Educator	21,640	33,600
TAFE Teacher	2,090	2,800
	<u>23,730</u>	<u>36,400</u>

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 4. Revenue (continued)

(e) Publication levy

	2025	2024
	\$	\$
ACT Branch	15,166	15,630
NSWTF Branch	222,418	231,431
NT Branch	6,753	6,551
QLD Branch	163,913	168,382
SA Branch	44,498	45,163
TAS Branch	18,464	19,376
VIC Branch	161,329	166,322
SSTUWA for the WA Branch	66,644	60,929
	<u>699,185</u>	<u>713,784</u>

This compulsory levy is for the publication of Australian Educator and TAFE Teacher.

Note 5. Administration and other expenses

	2025	2024
	\$	\$
Communication	85,851	37,399
Consideration to employers for payroll deductions	-	-
Donations:		
Total paid that were \$1,000 or less	200	636
Total paid that exceeded \$1,000	176,930	134,329
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Insurance	10,002	9,057
Library	52,958	50,925
Occupancy costs	144,876	144,876
Postage, printing and stationery	16,224	20,069
Media support	187,640	201,411
IT support	22,606	33,782
Website	3,900	3,900
Staff recruitment	507	93,666
Loss on disposals	-	24,669
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-
Other expenses	93,624	68,037
	<u>795,318</u>	<u>822,756</u>

Australian Education Union - Federal Office
Notes to the financial statements
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Note 6. Capitation, affiliation fees & levies

	2025	2024
	\$	\$
<i>Capitation fees</i>	-	-
<i>Affiliation fees</i>		
Australian Council of Social Service	9,286	8,458
Australian Council on Children & Media	255	255
Australian Council of Trade Unions	1,287,149	1,266,545
Australian People for Health Education & Development Abroad Ltd	14,777	12,807
Australian Teacher Education Association	178	-
Australian Fair Trade and Investment Network Ltd	400	300
Australian Institute Employment Right	3,000	3,000
Australian Curriculum Studies Association Inc	264	264
First Nations Workers Alliance	909	909
Education International	532,637	524,328
The Friends of the Noel Butlin Archives Centre	50	50
Welcome to Australia	2,500	2,500
The Refugee Council of Australia	1,227	1,227
	<u>1,852,632</u>	<u>1,820,643</u>
<i>Compulsory levies</i>	-	-
	<u><u>1,852,632</u></u>	<u><u>1,820,643</u></u>

Note 7. Campaign and project expenses

	2025	2024
	\$	\$
Public education campaign	4,129,203	2,348,712
Priority campaigns	82,264	-
Other campaigns	881	10,901
Research projects	92,313	5,499
	<u>4,304,661</u>	<u>2,365,112</u>

Note 8. Depreciation and amortisation

	2025	2024
	\$	\$
<i>Depreciation of non-current assets</i>		
Office equipment	29,377	23,061
Furniture, fixtures and fittings	14,172	7,766
Motor vehicles	8,570	8,126
	<u>52,119</u>	<u>38,953</u>
<i>Depreciation of right-of-use assets</i>	8,703	8,703
	<u><u>60,822</u></u>	<u><u>47,656</u></u>

Australian Education Union - Federal Office
Notes to the financial statements
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Note 9. Employee expenses

	2025	2024
	\$	\$
<i>Holders of office:</i>		
Wages and salaries	741,799	640,531
Superannuation	113,657	98,760
Leave and other entitlements	29,248	82,934
Other employee expenses	33,146	33,080
	<u>917,850</u>	<u>855,305</u>
<i>Employees other than holders of office:</i>		
Wages and salaries	2,627,986	2,393,095
Casual wages	159,721	57,380
Superannuation	421,869	349,639
Leave and other entitlements	289,051	11,016
Separation and redundancies	127,092	-
Other employee expenses	11,503	33,214
	<u>3,637,222</u>	<u>2,844,344</u>
Costs allocated to campaigns	<u>(159,721)</u>	<u>(57,380)</u>
	3,477,501	2,786,964
<i>Others:</i>		
Payroll tax	246,091	209,393
Insurance	8,886	11,175
Work cover	81,798	70,663
Fringe benefit tax	47,608	55,628
Staff amenities	17,235	13,991
Employees support and well being	6,262	-
	<u>407,880</u>	<u>360,850</u>
	<u><u>4,803,231</u></u>	<u><u>4,003,119</u></u>

Note 10. Property expenses - Market Street

	2025	2024
	\$	\$
<i>Rental Outgoings:</i>		
Council rate	52,147	12,740
Land tax	182,106	52,832
Water rates	7,490	1,606
Congestion levy	35,960	10,364
Cleaning	27,404	1,292
Electricity	3,197	1,525
Building maintenance	64,185	6,182
Management fees	23,846	5,750
Professional fees	-	6,700
Other expenses	286	1,023
Building insurance	18,533	8,612
<i>Owners Expenses:</i>		
Electricity	11,613	-
Water Usage	2,167	259
Asset purchases	24,975	34,089
	<u>453,909</u>	<u>142,974</u>

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 11. Legal and professional fees

	2025	2024
	\$	\$
Audit of the financial report	26,346	25,417
Accounting	3,150	3,100
Other professional fees	-	330
Legal fees:		
- litigation	-	-
- other legal costs	122,966	118,084
Costs allocated to campaigns	-	(3,864)
	<u>152,462</u>	<u>143,067</u>

Note 12. Meeting and conference expenses

	2025	2024
	\$	\$
Allowances	31,810	63,527
Travel and other expenses	811,246	944,535
	<u>843,056</u>	<u>1,008,062</u>

Note 13. Publications

	2025	2024
	\$	\$
Australian Educator	695,569	811,937
TAFE Teacher	87,197	87,068
	<u>782,766</u>	<u>899,005</u>

Note 14. Finance costs

	2025	2024
	\$	\$
<i>Loan – CBA:</i>		
Loan facility fees	144,000	43,397
Loan establishment fees	-	12,000
Interest expense on borrowing	311,762	104,179
	<u>455,762</u>	<u>159,576</u>
Interest expense on lease liability	1,150	1,485
	<u>456,912</u>	<u>161,061</u>

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 15. Cash and cash equivalents

	2025 \$	2024 \$
<i>Current assets</i>		
Cash on hand	1,000	1,000
Cash at bank	638,023	279,892
Short term deposits	7,660,166	4,736,094
	<u>8,299,189</u>	<u>5,016,986</u>

The above figures are reconciled to cash at the end of the financial year as shown in the cash flows as follows:

Balance as above	8,299,189	5,016,986
Balance as per cash flows	<u>8,299,189</u>	<u>5,016,986</u>

Note 16. Trade and other receivables

	2025 \$	2024 \$
<i>Current assets</i>		
<i>Receivables from branches and other reporting units:</i>		
AEU NSWTF branch	792	587
AEU VIC branch	11,645	-
Independent Education Union QLD and NT	194	-
Independent Education Union VIC/TAS branch	23,703	8,220
NTEU National Office	49,322	14,824
NTEU Victorian branch	20,366	6,181
Queensland Teachers Union	915	-
The State School Teachers Union of WA (SSTUWA)	317	-
	<u>107,254</u>	<u>29,812</u>
Less: Allowance for expected credit losses	-	-
	<u>107,254</u>	<u>29,812</u>
<i>Other receivables</i>		
Amount due from ITF	322,184	3,436
Interest receivable	49,354	280,132
GST receivable	-	22,116
Rental receivables	-	266,664
Legal fees	-	22,543
Others	128,488	98,247
	<u>607,280</u>	<u>722,950</u>

Classification as trade and other receivables

(i) Trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. Loans and other receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. If collection of the amounts is expected in one year or less they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are generally due for settlement within 30 days and therefore are all classified as current.

(ii) Other receivables

These amounts generally arise from transactions during the usual operating activities of the entity. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

Australian Education Union - Federal Office
Notes to the financial statements
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Note 16. Trade and other receivables (continued)

(iii) Fair values of trade and other receivables

Due to the short-term nature of the current receivables, their carrying amount is assumed to be the same as their fair value.

Note 17. Other financial assets

	2025	2024
	\$	\$
<i>Current assets</i>		
Deposits with original maturities between 91 days to 365 days	<u>457,092</u>	<u>5,767,694</u>
<i>Non-current assets</i>		
Unlisted investments in unit trusts	<u>5,206,701</u>	<u>5,206,701</u>
	<u><u>5,663,793</u></u>	<u><u>10,974,395</u></u>
Reconciliation		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening balance	5,206,701	5,230,389
Disposals	<u>-</u>	<u>(23,688)</u>
Closing balance	<u><u>5,206,701</u></u>	<u><u>5,206,701</u></u>

Note 18. Property, plant and equipment

	2025	2024
	\$	\$
<i>Non-current assets</i>		
Land - Market Street - at fair value	<u>3,309,367</u>	<u>-</u>
Building - Market Street - at fair value	<u>4,290,633</u>	<u>-</u>
Building improvements - at fair value	<u>100,385</u>	<u>-</u>
Motor vehicles - at cost	46,216	46,216
Less: Accumulated depreciation	<u>(16,696)</u>	<u>(8,126)</u>
	<u>29,520</u>	<u>38,090</u>
Office equipment - at cost	184,195	176,471
Less: Accumulated depreciation	<u>(123,514)</u>	<u>(94,136)</u>
	<u>60,681</u>	<u>82,335</u>
Furniture, fixtures and fittings - at cost	202,234	179,622
Less: Accumulated depreciation	<u>(84,156)</u>	<u>(69,984)</u>
	<u>118,078</u>	<u>109,638</u>
	<u><u>7,908,664</u></u>	<u><u>230,063</u></u>

Australian Education Union - Federal Office
Notes to the financial statements
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Note 18. Property, plant and equipment (continued)

Reconciliations

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

	Office equipment	Furniture, fittings and fixtures	Motor vehicle	Building improvements	Land	Building	Total
	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2024	60,222	52,024	-	-	-	-	112,246
Additions	46,002	65,532	46,216	-	-	-	157,750
Disposals	(828)	(152)	-	-	-	-	(980)
Depreciation expense	(23,061)	(7,766)	(8,126)	-	-	-	(38,953)
Balance at 31 December 2024	82,335	109,638	38,090	-	-	-	230,063
Additions	7,723	22,612	-	100,385	-	-	130,720
Transfer from investment property	-	-	-	-	3,587,839	4,651,675	8,239,514
Depreciation expense	(29,377)	(14,172)	(8,570)	-	-	-	(52,119)
Revaluations	-	-	-	-	(278,472)	(361,042)	(639,514)
Balance at 31 December 2025	<u>60,681</u>	<u>118,078</u>	<u>29,520</u>	<u>100,385</u>	<u>3,309,367</u>	<u>4,290,633</u>	<u>7,908,664</u>

The revalued land and buildings consist of 17–33 Market Street, South Melbourne VIC 3205. Management determined that these constitute one class of asset under AASB 13 Fair Value Measurement, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation 31 December 2025, the properties' fair values are based on valuations performed by JACX Property, an accredited independent valuer.

During the year ended 31 December 2025, a revaluation decreases of \$639,514 relating to land and buildings was recognised in profit or loss, as no revaluation surplus existed at the reporting date. Further details of the valuation methodology and key assumptions are disclosed in Note 19.

Australian Education Union - Federal Office
Notes to the financial statements
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Note 19. Investment property

	2025 \$	2024 \$
<i>Non-current assets</i>		
Investment property - Market Street	<u>12,150,000</u>	<u>21,411,894</u>
<i>Reconciliation</i>		
Reconciliation of the fair values at the beginning and end of the current and previous financial year are set out below:		
Opening fair value	21,411,894	-
Additions	-	21,411,894
Net loss from fair value adjustment	(1,022,380)	-
Reclassification to property, plant and equipment	<u>(8,239,514)</u>	<u>-</u>
Closing fair value	<u>12,150,000</u>	<u>21,411,894</u>

The investment property comprises land and buildings located at 17–33 Market Street, South Melbourne VIC 3205, acquired on 13 September 2024 and held to earn rental income and for capital appreciation.

During the year, a portion of the Market Street property was reclassified from investment property to property, plant and equipment, as that portion is now held for use in the operations of the organisation rather than to earn rental income or for capital appreciation. On reclassification, the relevant portion of the property was measured at fair value at the date of change in use, which became its deemed cost on initial recognition as property, plant and equipment, in accordance with the organisation’s accounting policies. Subsequent to reclassification, the land and buildings are accounted for under the revaluation model, as disclosed in Note 18.

The remaining portion of the property continues to be classified as investment property.

Investment property is measured at fair value, with changes in fair value recognised in surplus or deficit in the period in which they arise.

As at 31 December 2025, the fair value of the investment property portion was \$12,150,000 (2024: \$21,411,894). The fair value was determined by JACX Property, an accredited independent valuer with recognised and relevant professional qualifications and recent experience in the valuation of properties of a similar nature and location. The valuation was undertaken for financial reporting purposes in accordance with AASB 13 *Fair Value Measurement* and International Valuation Standards.

Fair value has been determined using recognised valuation techniques, including the income capitalisation approach and the direct comparison approach. Under the income capitalisation approach, fair value is estimated by capitalising the property’s normalised net operating income using an appropriate capitalisation rate. The direct comparison approach assesses fair value by reference to recent sales of comparable properties, analysed on a rate per square metre of net lettable area.

The highest and best use of the investment property is not considered to be different from its current use.

Rental income earned and received from the investment property during the year was \$974,291 (2024: \$271,593).

Direct expenses incurred in relation to the investment property that generated rental income during the year was \$870,916 (2024: \$268,202) which includes the property expenses of \$415,154 (2024: \$108,626) (refer note 10) and finance costs of \$455,762 (2024: \$159,576) (refer note 14). During the year and as at the year-end, no restrictions on the realisation of investment property or the remittance of income and proceeds of disposal were present.

Australian Education Union - Federal Office
Notes to the financial statements
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Note 19. Investment property (continued)

AEU-Federal Office does not have any contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The fair value of investment property is included within Level 2.

Note 20. Right-of-use assets

	2025	2024
	\$	\$
<i>Non-current assets</i>		
Office and equipment - right-of-use	43,517	43,517
Less: Accumulated depreciation	<u>(24,659)</u>	<u>(15,956)</u>
	<u><u>18,858</u></u>	<u><u>27,561</u></u>

Reconciliations

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

	Office and equipment	Total
	\$	\$
Balance at 1 January 2024	36,264	36,264
Depreciation expense	<u>(8,703)</u>	<u>(8,703)</u>
Balance at 31 December 2024	27,561	27,561
Depreciation expense	<u>(8,703)</u>	<u>(8,703)</u>
Balance at 31 December 2025	<u><u>18,858</u></u>	<u><u>18,858</u></u>

Australian Education Union - Federal Office
Notes to the financial statements
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Note 21. Trade and other payables

	2025 \$	2024 \$
<i>Current liabilities</i>		
<i>Unsecured</i>		
Trade payables	68,044	49,066
Legal costs		
- Litigation	-	-
- Other legal costs	25,795	2,952
<i>Amount payable to branches and other reporting units</i>		
- Australian Education Union NT Branch	5,031	3,258
- Australian Education Union Tasmanian Branch	-	3,176
- Australian Education Union Victorian Branch	144	159
- Queensland Teachers Union (QTU)	-	6,793
- The State School Teachers Union of WA (SSTUWA)	-	6,147
Payable to an employer for that employer making payroll deductions of membership subscriptions	-	-
GST payable	6,145	-
PAYG payable	126,833	117,569
FBT payable	19,564	33,539
Accrued finance costs	25,507	29,471
Deferred revenue	2,914	-
Other payables and accruals	151,291	83,131
	<u>431,268</u>	<u>335,261</u>

Trade payables are unsecured and are usually paid within 30 days of recognition. The carrying amounts of trade and other payables are assumed to be the same as their fair values, due to their short-term nature.

Note 22. Borrowings

	2025 \$	2024 \$
<i>Non-current liabilities</i>		
Bank loans	<u>8,000,000</u>	<u>8,000,000</u>

AEU-Federal Office's loan from Commonwealth Bank is repayable on 13 September 2027. The contract includes a covenant that requires maintaining an Interest Coverage Ratio for each Reporting Period not less than 1.20x. and loan to valuation ratio will not be more than 50%. The loan is subject to a variable market interest rate of 4.45% and an additional facility fee of 1.8% per annum at the time of signing the contract. The borrower will provide the Bank with a Compliance Certificate signed by the borrower(s), director(s) or proprietor(s) within 180 days of the end of each reporting period. The reporting period is the twelve months ending the last day of each December each year. As at the date of this report, the organisation was in compliance with all applicable debt covenants.

As part of the security arrangements for the bank loan facility entered into with Commonwealth Bank on 11th September 2024, the following security interests have been granted:

- General Security Interest comprising: first ranking charge over all present & after acquired property,
- First registered mortgage over non residential real property located at 17-33 Market Street South Melbourne VIC 3025.

Australian Education Union - Federal Office
Notes to the financial statements
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Note 23. Lease liabilities

	2025	2024
	\$	\$
<i>Current liabilities</i>		
Lease liability	9,038	8,690
<i>Non-current liabilities</i>		
Lease liability	10,977	20,015
	<u>20,015</u>	<u>28,705</u>

Reconciliations

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

	2025	2024
	\$	\$
As at 1 January	28,705	37,060
Interest	1,150	1,485
Payments	(9,840)	(9,840)
	<u>20,015</u>	<u>28,705</u>

Note 24. Provision for employee benefits

	2025	2024
	\$	\$
<i>Current liabilities</i>		
 Holders of office:		
Annual leave	212,181	215,585
Long service leave	417,511	384,859
Separations and redundancies	-	-
Other	-	-
	<u>629,692</u>	<u>600,444</u>
 Employees other than holders of office:		
Annual leave	414,012	281,138
Long service leave	412,449	252,967
Separations and redundancies	-	-
Other	-	-
	<u>826,461</u>	<u>534,105</u>
	<u>1,456,153</u>	<u>1,134,549</u>
<i>Non-current liabilities</i>		
 Employees other than holders of office:		
Long service leave	5,796	9,101
	<u>1,461,949</u>	<u>1,143,650</u>

Australian Education Union - Federal Office
Notes to the financial statements
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Note 24. Provision for employee benefits (continued)

Employee benefits

Included in the employee benefits provision is a provision that has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits have been included in Note 1.

	Employee benefit obligations
Balance at 1 January 2024	1,047,310
Charged to statement of comprehensive income	<u>96,340</u>
Balance at 31 December 2024	1,143,650
Charged to statement of comprehensive income	<u>318,299</u>
Balance at 31 December 2025	<u><u>1,461,949</u></u>

Note 25. Reserves

	2025 \$	2024 \$
Public education campaign reserve	5,082,861	6,876,079
Workers' rights campaign reserve	230,000	180,000
Revaluation reserve	<u>3,554,625</u>	<u>3,554,625</u>
	<u><u>8,867,486</u></u>	<u><u>10,610,704</u></u>

(a) Public education campaign reserve

	2025 \$	2024 \$
Opening balance	6,876,079	6,873,439
Fund received (note 4b)	735,984	751,352
Funds allocated from general fund	1,600,000	1,600,000
Funds spent (note 7)	<u>(4,129,202)</u>	<u>(2,348,712)</u>
Closing balance	<u><u>5,082,861</u></u>	<u><u>6,876,079</u></u>

The public education campaign fund reserve records funds set aside from the surplus for the purpose of funding future public education campaigns. Funds raised in a financial year that are not expended in that year are set aside in the reserve to be spent in future years.

(b) Workers' rights campaign reserve

	2025 \$	2024 \$
Opening balance	180,000	130,000
Funds allocated from general fund	<u>50,000</u>	<u>50,000</u>
	<u><u>230,000</u></u>	<u><u>180,000</u></u>

Australian Education Union - Federal Office
Notes to the financial statements
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Note 25. Reserves (continued)

The worker rights campaign reserve records funds set aside from the surplus for the purpose of funding future worker rights campaigns.

(c) Revaluation surplus reserve

	2025	2024
	\$	\$
Closing balance	<u>3,554,625</u>	<u>3,554,625</u>

Changes in fair value arising on translation of investments such as equities, classified as financial assets, are taken to the revaluation reserve, as described in note 1. Amounts are recognised in the statement of comprehensive income when the associated assets are disposed of or impaired.

Note 26. General funds

	2025	2024
	\$	\$
Retained profits at the beginning of the financial year	18,620,534	18,570,059
(Deficit)/surplus for the year	(4,229,096)	103,115
Transfer from/(to) reserve	<u>1,743,218</u>	<u>(52,640)</u>
Retained profits at the end of the financial year	<u>16,134,656</u>	<u>18,620,534</u>

Apart from those recorded in the financial statements, no specific funds or accounts have been operated as part of the Federal Fund in respect of compulsory levies or voluntary contributions.

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 27. Key management personnel disclosures

Members of executive

The Federal Executive is elected for a two-year term commencing on 1 March and ending two years later at the end of February. The name of each person who has been a member of the Federal Executive at any time during the 2025 financial year is as follows:

Correna Haythorpe **	Federal President
Meredith Peace	Deputy Federal President
Erin Aulich**	General Division
Briley Stokes	General Division
Justin Mullaly	General Division
Matthew Jarman**	General Division
Mary Franklyn	General Division
Angela Burroughs	General Division
Henry Rajendra	General Division
Mel Smith**	General Division
Amber Flohm	General Division
Natasha Watt	General Division
Kevin Bates** (until 3 October 2025)	Federal Secretary
Nicole Calnan** (Federal Secretary from 4 October 2025)	Deputy Federal Secretary/Federal Secretary
Michelle Purdy (until 11 April 2025)	Federal TAFE President
Elaine Gillespie (from 13 May 2025)	Federal TAFE President
Michelle Ayres	General Division
Leah Olsson	General Division
Cresta Richardson**	General Division
Kate Ruttiman	General Division
David Genford	General Division
Micheal Beale	Aboriginal & Torres Strait Islander Representative
Cara Nightingale	Early Childhood Representative
Andrew Beattie (from 14 April 2025)	Principals Committee Representative

** members of Finance Committee

	2025	2024
	\$	\$
Short-term employee benefits:		
Salary (including annual leave taken)	683,288	590,719
Annual leave accrued	55,107	76,088
Accommodation benefit	33,146	33,080
Total short-term employee benefits	<u>771,541</u>	<u>699,887</u>
Post-employment benefits:		
Superannuation	113,657	98,760
Total post-employment benefits	<u>113,657</u>	<u>98,760</u>
Other long-term benefits:		
Long-service leave	32,652	56,658
Other long-term benefits	<u>32,652</u>	<u>56,658</u>
Termination benefits	<u>-</u>	<u>-</u>
Total	<u><u>917,850</u></u>	<u><u>855,305</u></u>

There were no loans between the key management personnel or the committee of management and the AEU-Federal Office.

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 27. Key management personnel disclosures (continued)

There were no transactions between key management personnel or the committee of management and the AEU-Federal Office other than those relating to their membership of the AEU-Federal Office and reimbursement by the AEU-Federal Office in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

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

Note 28. Contingencies

There are no known contingent assets or liabilities at 31 December 2025.

Note 29. Commitments

There are no commitment at 31 December 2025.

Note 30. Related party transactions

Key management personnel

Disclosures relating to key management personnel are set out in note 27.

Transactions with related parties

The following transactions occurred with related parties:

Capitation fees and levies received

Some capitation fees and levies are paid by associated entities of the affiliated branches as followed by rule 11(7).

	2025	2024
	\$	\$
<i>Administration fees received</i>		
From the Australian Education Union International Trust Fund	69,009	65,723
<i>Distribution received</i>		
From the Federation of Education Unions Unit trust	82,394	77,884
<i>Purchases of goods and services:</i>		
Rent & Outgoings paid to the Federation of Education Unions Unit trust	144,876	144,876
<i>Superannuation contributions</i>		
Defined contribution superannuation contributions on behalf of employees	535,526	448,399

Outstanding balances arising from sales and purchases of goods and services:

These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts. No provision for impairment has been raised in relation to any of these outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2025, the entity has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2024: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 31. Events after the reporting period

Subsequent to the reporting date, management approved a plan to renovate its Market Street property. The renovation is expected to cost approximately \$1,200,000 to \$1,300,000 and is intended to be funded from existing cash reserves. This event is considered a non-adjusting event and has not been recognised in the financial statements.

No other matter or circumstance has arisen since 31 December 2025 that has significantly affected, or may significantly affect the organisation's operations, the results of those operations, or the organisation's state of affairs in future financial years.

Note 32. Cash flow information

(a) Receipts of affiliation, capitation fees and levies (inclusive of GST)

	2025	2024
	\$	\$
ACT Branch	229,390	224,759
NSWTF Branch	3,358,684	3,336,618
NT Branch	102,096	94,153
QLD Branch	2,478,328	2,420,453
SA Branch	671,262	658,968
TAS Branch	279,027	279,588
VIC Branch	2,434,715	2,396,061
SSTUWA for the WA Branch	1,004,908	879,229
	<u>10,558,410</u>	<u>10,289,829</u>

(b) Receipts of campaign contributions from branches (inclusive of GST)

	2025	2024
	\$	\$
ACT Branch	17,560	18,097
NSWTF Branch	257,536	267,973
NT Branch	7,819	7,586
QLD Branch	189,794	194,968
SA Branch	51,524	52,294
TAS Branch	21,380	22,436
VIC Branch	186,802	192,584
SSTUWA for the WA Branch	77,167	70,550
	<u>809,582</u>	<u>826,488</u>

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 32. Cash flow information (continued)

(c) Receipts of other income from branches & other reporting units (inclusive of GST)

	2025	2024
	\$	\$
ACT Branch	6,375	14,960
NSWTF Branch	39,900	45,807
NT Branch	7,177	8,688
QLD Branch	2,118	1,000
SA Branch	6,902	18,316
TAS Branch	4,126	4,452
VIC Branch	36,932	26,907
SSTUWA for the WA Branch	136,118	11,443
IEU QLD and NT	246	793
IEU SA Branch	2,898	1,350
IEU Vic & Tas Branch	32,469	35,143
IEU WA Branch	1,735	2,701
IEU Federal	123	4,086
NTEU Victorian Branch	24,025	28,864
NTEU National Office	63,689	87,070
Queensland Teachers Union	18,215	16,034
	<u>383,048</u>	<u>307,614</u>

(d) Payments to branches & other reporting units (inclusive of GST)

	2025	2024
	\$	\$
ACT Branch	4,768	28,219
NSWTF Branch	8,514	22,246
NT Branch	24,631	15,802
SA Branch	11,705	69,786
TAS Branch	10,368	11,639
VIC Branch	14,891	198,591
SSTUWA for the WA Branch	157,600	16,332
IEU SA Branch	1,903	-
Queensland Teachers Union	32,154	115,660
	<u>266,534</u>	<u>478,275</u>

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 32. Cash flow information (continued)

(e) Reconciliation of (deficit)/surplus to net cash from operating activities

	2025	2024
	\$	\$
(Deficit)/surplus for the year	(4,229,096)	103,115
Adjustments for non-cash items:		
Depreciation	60,822	47,656
Loss on disposal of assets	-	24,669
Interest from other financial assets	(20,207)	(701,477)
Fair value movements in investment property	1,022,380	-
Loss on revaluation of property, plant and equipment	639,514	-
Changes in assets/liabilities:		
(Increase)/decrease in trade and other receivables	114,664	(128,938)
Decrease/(increase) in prepayments	87,415	(132,488)
Increase/(decrease) in payables	91,297	(155,282)
Increase in provisions	318,299	96,340
Net cash used in operating activities	<u>(1,914,912)</u>	<u>(846,405)</u>

(f) Liabilities from Financing Activities

	1 January 2025	Cash outflows	Transfer from non- current to current	Others	31 December 2025
Current interest-bearing loans and borrowings	8,690	(8,690)	9,038	-	9,038
Non-current interest-bearing loans and borrowings	8,020,015	-	(9,038)	-	8,010,977
	<u>8,028,705</u>	<u>(8,690)</u>	<u>-</u>	<u>-</u>	<u>8,020,015</u>

Note 33. Other Funds

In addition to the Federal Fund established under Rule 61 and to which these financial statements relate, the following separate funds have been established by the Rules:

- 1 Branch Funds established by Rule 62
(each branch prepares and lodges its own financial statements with FWC)
- 2 International Trust Fund (ITF) established by Rule 67
(the ITF, being a fund separate from the Federal Fund prepares its own financial statements which are published on the AEU website)

In terms of Rule 67 (3), the objects of the International Trust Fund shall be:

- (a) To promote the exchange of information and understanding between teachers and their organisations in Australia and in other countries;
- (b) To promote the development of united and effective teachers' organisations throughout the world and to assist them in times of crisis;
- (c) To further the development of education and the professional development of teachers;
- (d) To seek the extension of educational opportunities to all children in the world; and
- (e) To promote peace, international co-operation and understanding and respect of human rights

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 33. Other Funds (continued)

A summary of the financial statements of the ITF is presented below:

	2025	2024
	\$	\$
Summarised statement of financial position		
Current assets	2,838,991	2,807,415
Total assets	2,838,991	2,807,415
Current liabilities	(326,454)	(5,353)
Total liabilities	(326,454)	(5,353)
Net assets	2,512,537	2,802,062
	2025	2024
Summarised statement of comprehensive income		
<i>Revenue</i>		
Contributions	879,089	867,780
Investment income	119,820	120,722
Total revenue	998,909	988,502
Total expenditure	(1,288,434)	(1,438,182)
Excess of expenditure over revenue	(289,525)	(449,680)
	2025	2024
	\$	\$
Summarised statement of cash flows		
Net cash inflow/(outflow) from operating activities	(95,094)	(591,760)
Net decrease in cash and cash equivalents	(95,094)	(591,760)
(a) Contributions		
	2025	2024
	\$	\$
ACT Branch	23,274	26,440
NSWTF Branch	260,000	250,000
Federal Fund	100,000	100,000
NT Branch	10,810	10,482
QLD Branch	100,000	100,000
SA Branch	61,800	65,300
TAS Branch	28,000	27,000
VIC Branch	179,500	182,250
SSTUWA for the WA Branch	115,705	106,308
	879,089	867,780

Note 34. Other Information

(i) Going Concern

The AEU-Federal Office's ability to continue as a going concern is not reliant on financial support from another reporting unit.

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 34. Other Information (continued)

(ii) Financial Support

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

(iii) Acquisition of assets and liability under specific sections:

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

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the branches of the organisation;
- a determination or revocation by the General Manager of the *Fair Work Commission* under subsections 245(1) or 249(1) of the RO Act

(iv) Administration of financial affairs by a third party

No other entity administers the financial affairs of the reporting unit.

Note 35. Financial risk management

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk. Risk management is carried out by management under policies approved by Committee of Management. The Committee of Management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

(a) Market risk

(i) Foreign exchange risk

The entity is not exposed to foreign exchange risk.

(ii) Price risk

The entity is exposed to equity securities price and commodity price risk.

(iii) Cash flow and fair value interest rate risk

The AEU-Federal Office is exposed to interest rate risk arising from its interest-bearing loan used to finance property acquisitions, as well as from investments in interest-bearing assets. Changes in market interest rates may affect the AEU-Federal Office's interest expense, interest income, operating cash flows and the fair value of these financial instruments .

Sensitivity analysis

As at 31 December 2025 the effect on the surplus as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2025	2024
	\$	\$
<i>Term deposits</i>		
Increase of interest rates by 2%	175,106	215,674
Decrease of interest rates by 2%	(175,106)	(215,674)

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 35. Financial risk management (continued)

	2025 \$	2024 \$
Borrowing – CBA*		
Increase of interest rates by 2%	(160,000)	(160,000)
Decrease of interest rates by 2%	160,000	160,000

*The sensitivity analysis for the CBA bank loan is based on the annual interest rate, despite the loan being obtained in September 2024.

Asset held/pledged as collateral

	2025 \$	2024 \$
<i>Assets pledged as collateral</i>		
Registered mortgage over land and building	7,600,000	-
Registered mortgage over investment property	<u>12,150,000</u>	<u>21,411,894</u>
Total assets pledged as collateral	<u><u>19,750,000</u></u>	<u><u>21,411,894</u></u>

Refer to Note 22 for more information on borrowing and details on security.

(b) Credit risk

Credit risk arises from deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks. The AEU-Federal Office has no significant concentrations of credit risk. The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets. The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2025	2024
<i>Cash at bank:</i>		
AA- Rating	636,291	277,273
BBB Rating	1,732	2,619
<i>Term deposits:</i>		
AA- Rating	7,660,166	2,708,805
BBB Rating	<u>457,092</u>	<u>7,794,982</u>
	<u><u>8,755,281</u></u>	<u><u>10,783,679</u></u>

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below:

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 35. Financial risk management (continued)

2025

	Weighted Average Interest rate	Floating Interest rate	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Non Interest bearing	Total
	%	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash and cash equivalent	1.87%	638,023	7,660,166	-	-	-	1,000	8,299,189
Trade and other receivables	-	-	-	-	-	-	607,280	607,280
Other financial assets	3.71%	-	457,092	-	-	-	5,206,701	5,663,793
		<u>638,023</u>	<u>8,117,258</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,814,981</u>	<u>14,570,262</u>

Financial Liabilities

Trade & other payables	-	-	-	-	-	-	431,268	431,268
Lease liability	4.00%	-	9,038	9,400	1,577	-	-	20,015
Borrowing	4.45%	-	-	-	8,000,000	-	-	8,000,000
		<u>-</u>	<u>9,038</u>	<u>9,400</u>	<u>8,001,577</u>	<u>-</u>	<u>431,268</u>	<u>8,451,283</u>

2024

	Weighted Average Interest rate	Floating Interest rate	Less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Non Interest bearing	Total
	%	\$	\$	\$	\$	\$	\$	\$
Financial Assets								
Cash and cash equivalent	2.25%	279,892	4,736,094	-	-	-	1,000	5,016,986
Trade and other receivables	-	-	-	-	-	-	722,950	722,950
Other financial assets	4.08%	-	5,767,694	-	-	-	5,206,701	10,974,395
		<u>279,892</u>	<u>10,503,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,930,651</u>	<u>16,714,331</u>

Financial Liabilities

Trade & other payables	-	-	-	-	-	-	335,261	335,261
Lease liability	4.00%	-	8,690	9,038	10,977	-	-	28,705
Borrowing	4.45%	-	-	-	8,000,000	-	-	8,000,000
		<u>-</u>	<u>8,690</u>	<u>9,038</u>	<u>8,010,977</u>	<u>-</u>	<u>335,261</u>	<u>8,363,966</u>

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 35. Financial risk management (continued)

(d) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The AEU-Federal Office does not presently have such arrangement in place.

Note 36. Fair value measurement

(a) Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2025 was assessed to be insignificant.
- Fair value of financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2025 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

2025

	Carrying amount 2025 \$	Fair value 2025 \$	Carrying amount 2024 \$	Fair value 2024 \$
Financial Assets				
Cash and cash equivalents	8,299,189	8,299,189	5,016,986	5,016,986
Other financial assets – term deposit	457,092	457,092	5,767,694	5,767,694
Trade and other receivables	607,280	607,280	722,950	722,950
Other financial assets – unlisted unit trust	5,206,701	5,206,701	5,206,701	5,206,701
Total	14,570,262	14,570,262	16,714,331	16,714,331
Financial Liabilities				
Trade and other payables	431,268	431,268	335,261	335,261
Lease liability	20,015	20,015	28,705	28,705
Borrowing	8,000,000	8,000,000	8,000,000	8,000,000
Total	8,451,283	8,451,283	8,363,966	8,363,966

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 36. Fair value measurement (continued)

2024

	Carrying amount 2024 \$	Fair value 2024 \$	Carrying amount 2023 \$	Fair value 2023 \$
Financial Assets				
Cash and cash equivalents	5,016,986	5,016,986	6,201,115	6,201,115
Other financial assets – term deposit	5,767,694	5,767,694	18,306,493	18,306,493
Trade and other receivables	703,041	703,041	594,012	594,012
Other financial assets – unlisted unit trust	5,206,701	5,206,701	5,230,389	5,230,389
Total	16,694,422	16,694,422	30,332,009	30,332,009
Financial Liabilities				
Trade and other payables	256,709	256,709	490,543	490,543
Lease liability	28,705	28,705	37,060	37,060
Borrowing	8,000,000	8,000,000	-	-
	8,285,414	8,285,414	527,603	527,603

(b) Financial and non-financial assets and liabilities fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

The following table presents the entity's assets and liabilities measured and recognised at fair value at 31 December 2025:

2025	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<i>Assets</i>					
Financial Assets:					
Other financial assets		-	5,206,701	-	5,206,701
Non-financial Assets:					
Building improvements	31 December 2025	-	100,385	-	100,385
Land and building	31 December 2025	-	7,600,000	-	7,600,000
Investment property	31 December 2025	-	12,150,000	-	12,150,000
Total assets		-	25,057,086	-	25,057,086
<i>Liabilities</i>					
Financial Liabilities:					
Borrowings		-	8,000,000	-	8,000,000
Total liabilities		-	8,000,000	-	8,000,000

Australian Education Union - Federal Office
Notes to the financial statements
31 December 2025

Note 36. Fair value measurement (continued)

	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2024					
<i>Assets</i>					
Financial Assets:					
Other financial assets		-	5,206,701	-	5,206,701
Non-financial Assets:					
Investment property	31 December 2024	-	21,411,894	-	21,411,894
Total assets		-	26,618,595	-	26,618,595
<i>Liabilities</i>					
Financial Liabilities:					
Borrowings		-	8,000,000	-	8,000,000
Total liabilities		-	8,000,000	-	8,000,000

There were no transfers between Level 1, Level 2 and Level 3 in 2025 or 2024.

The entity also has a number of assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the notes.

The carrying amounts of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(c) Valuation techniques used to derive level 2 and level 3 fair values

(i) Recurring fair value measurements

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

(ii) Non-recurring fair value measurements

The entity does not have assets in this category.

**Australian Education Union - Federal Office
Committee of Management Statement**

On 27 / 05 / 2026 the Committee of Management of the Australian Education – Federal Office passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2025:

The Committee of Management declares that in its opinion:

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

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

Designated officer:



Name of designated officer:

Nicole Calnan – Federal Secretary

Date:

27 May 2026

AUSTRALIAN EDUCATION UNION FEDERAL
ABN 16 006 296 647

INDEPENDENT AUDIT REPORT
TO THE MEMBERS OF
AUSTRALIAN EDUCATION UNION FEDERAL

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Education Union Federal (the reporting unit), which comprises the statement of financial position as at 31 December 2025, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2025, notes to the financial statements, including a summary of significant accounting policies, Committee of Management statement and the subsection 255(2A) report.

In our opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of Australian Education Union Federal 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 reporting unit 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 reporting unit in accordance with the auditor independence requirements of the Fair Work (Registered Organisations) Act 2009 and 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.

Information Other than the Financial Report and Auditor's 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, 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 reporting unit is 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 is responsible for assessing the reporting unit'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 reporting unit 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 the 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:

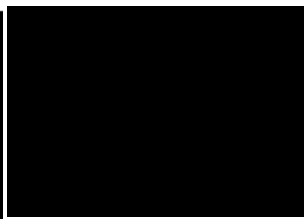
- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If 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 reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the reporting unit audit. We remain solely responsible for our audit opinion.

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

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

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. In relation to this matter, we have nothing to report.

**Hall Chadwick Melbourne Audit
Chartered Accountants
Level 14, 440 Collins Street
MELBOURNE VIC 3000**



**Anh (Steven) Nguyen
Registered Company Auditor
Director**

Date: 27 May 2026

Registration number (as registered under the RO Act): AA2023/7