



24 May 2018

Mr Glenn Fowler  
Branch Secretary  
Australian Education Union, ACT Branch

By e-mail: [aeuact@aeuact.org.au](mailto:aeuact@aeuact.org.au)

Dear Mr Fowler

**Australian Education Union, ACT Branch**  
**Financial Report for the year ended 31 December 2016 - FR2016/376**

I acknowledge receipt of the financial report for the year ended 31 December 2016 for the Australian Education Union, ACT Branch (AEU-ACT). The financial report was lodged with the Registered Organisations Commission on 22 June 2017.

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

Whilst the 2016 report has been filed the following should be addressed in the preparation of the next financial report.

**1. Timescale requirements**

As you are aware, an organisation is required under the RO Act to undertake certain steps in accordance with specified timelines. Information about these timelines can be found on the ROC website. In particular, I draw your attention to the fact sheet titled *Financial reporting process* which explains the timeline requirements, and the fact sheet titled *Summary of financial reporting timelines* which sets out the timelines in diagrammatical format.

I note that the following timescale requirements were not met:

Reports must be provided to members within 5 months of end of financial year where report is presented before Committee of Management meeting

The Designated Officer's Certificate states that the financial report was provided to members on 20 June 2017, and presented to a Committee of Management meeting on 20 June 2017. Under section 265(5)(b) of the RO Act, where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of the end of the financial year.

If these dates are correct, the reporting unit should have applied for an extension of time for the provision of the financial report to members in accordance with section 265(5) of the RO Act.

Please note that in future financial years if an extension of time is required, a written request must be made prior to the required date for the provision of the reports to members.

## 2. General Purpose Financial Report

### Fair value measurement disclosures

Australian Accounting Standard *AASB 13 Fair Value Measurement* details the reporting disclosures required for assets and liabilities that are measured at fair value.

Note 14 to the GPFR provides information in regard to financial assets and liabilities. However, AASB 13 requires all assets and liabilities measured at fair value to be disclosed including the non-current land and buildings.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully

A handwritten signature in black ink, appearing to read 'K. Morgan', with a stylized flourish at the end.

**KEN MORGAN**

**Financial Reporting Advisor**

**Registered Organisations Commission**

# Financial Statements

## Australian Education union – ACT Branch

### 2015–16



**FINANCIAL STATEMENTS AS AT 31 DECEMBER 2016**

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## Introduction

This document contains a financial report of Australian Education Union – ACT Branch – a reporting unit as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 31 December 2016.

The enclosed financial report has been prepared in accordance with the requirements of the Australian Accounting Standards and the RO Act including the section 253 Reporting Guidelines issued 13 June 2014.

### **Australian Accounting Standards applicable as at 31 December 2016**

This financial report illustrates Australian Accounting Standards which apply to annual reporting periods beginning on or after 1 July 2015.

In addition, the disclosure requirements of the following Australian Accounting Standards are not applicable to the Australian Education Union – ACT Branch and have therefore not been dealt with in the model financial report:

*AASB 1 First Time Adoption of Australian Equivalents to International Financial Reporting Standards*

*AASB 4 Insurance Contracts*

*AASB 6 Exploration for and Evaluation of Mineral Resources*

*AASB 111 Construction Contracts*

*AASB 129 Financial Reporting in Hyperinflationary Economies*

*AASB 134 Interim Financial Reporting*

*AASB 141 Agriculture*

*AASB 1023 General Insurance Contracts*

*AASB 1038 Life Insurance Contracts*

*AASB 1039 Concise Financial Reports*

*AASB 1049 Whole of Government and General Government Sector Financial Reporting*

*AASB 1050 Administered Items*

*AASB 1051 Land Under Roads*

*AASB 1052 Disaggregated Disclosures*

*AAS 25 Financial Reporting by Superannuation Plans*

*Interpretation 12 Service Concession Arrangements*

*Interpretation 13 Customer Loyalty Programs*

*Interpretation 15 Agreements for the Construction of Real Estate*

*Interpretation 17 Distributions of Non-Cash Assets to Owners*

*Interpretation 107 Introduction of the Euro*

*Interpretation 110 Government Assistance — No Specific Relation to Operating Activities*

*Interpretation 129 Service Concession Arrangements: Disclosures*

*Interpretation 131 Revenue — Barter Transactions Involving Advertising Services*

*Interpretation 132 Intangible Assets — Web Site Costs*

*Interpretation 1038 Contributions by Owners Made to Wholly-Owned Public Sector Entities*

*Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry*

*Interpretation 1047 Professional Indemnity Claims Liabilities in Medical Defence Organisations*

*Interpretation 1055 Accounting for Road Earthworks*

## Allowed alternative treatments

In some cases, an Australian Accounting Standard permits more than one accounting treatment for a transaction or event. Preparers of financial statements should select the treatment that is most relevant to their business and the relevant circumstances as their accounting policy.

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, requires an entity to select and apply its accounting policies consistently for similar transactions, events and/or conditions, unless an Australian Accounting Standard specifically requires or permits categorisation of items for which different policies may be appropriate. Where an Australian Accounting Standard requires or permits such categorisation, an appropriate accounting policy is selected and applied consistently to each category. Therefore, once a choice of one of the alternative treatments has been made, it becomes an accounting policy and must be applied consistently. Changes in accounting policy should only be made if required by a standard or interpretation, or if the change results in the financial statements providing more reliable and relevant information.

## Abbreviations

The following abbreviations are used in the model financial report:

|                |  |
|----------------|--|
| AASB           | Australian Accounting Standards Board                        |
| FBT            | Fringe Benefit Tax   |
| GPFR           | General Purpose Financial Report                             |
| GST            | Goods and Services Tax                                       |
| RO Act         | <i>Fair Work (Registered Organisations) Act 2009</i>         |
| RO Regulations | <i>Fair Work (Registered Organisations) Regulations 2009</i> |

**Principal** Phillip W Miller CA  
**Address** Unit 1/37 Geils Court, Deakin ACT 2600  
PO Box 105, Deakin West ACT 2600  
Suite 1.3, 33 Hibberson Street  
Gungahlin ACT 2912  
**Phone** (02) 6215 7600  
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ASIC Authorised Audit Company No. 408893

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF  
AUSTRALIAN EDUCATION UNION ACT BRANCH  
ABN: 98 106 001 142**

**Report on the Financial Report**

I have audited the accompanying general purpose financial report of the Australian Education Union ACT Branch for the year ended 31 December 2016, comprising the statement of comprehensive income, statement of financial position as at 31 December 2016, statement of changes in equity, cash flow statement, notes to and forming part of the financial statements and the committee of management statement.

**Committee's Responsibility for the Financial Report**

The Registered Organisation's Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009* and for such internal controls as the Committee of Management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on my audit. We have conducted our audit in accordance with Australian Auditing Standards. Those Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

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

## **Independence**

In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies.

## **Auditors Opinion**

As part of the audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.

In our opinion, the financial report presents fairly, in all material respects the financial position of the Australian Education Union ACT Branch as of 31 December 2016 and of its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the *Fair Work (Registered Organisations) Act 2009*.

## **Name of Firm:**

**MCS Audit Pty Ltd  
Chartered Accountants  
Authorised Audit Company**



## **Name of Director:**

---

**Phillip W Miller CA  
Registered Company Auditor  
Public Practice Certificate Holder**

## **Address:**

**Unit 1/37 Geils Court, Deakin ACT 2600**

## **Dated:**

**20 June 2017**

**AUSTRALIAN EDUCATION UNION – ACT BRANCH**

**ABN: 98 106 001 142**

s.268 Fair Work (Registered Organisations) Act 2009

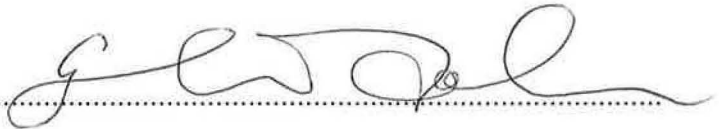
**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER<sup>1</sup>**

Certificate for the period ended 31 December 2016

I Glenn Fowler being the Branch Secretary of the Australian Education Union – ACT Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Education Union – ACT Branch for the period ended 31 December 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 20 day of June 2017; and
- that the full report was presented to [*a general meeting of the ~~branch council~~ Committee of Management*] of the Australian Education Union – ACT Branch on 20 day of June 2017 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....



Name of prescribed designated officer: Glenn Fowler

Title of prescribed designated officer: Branch Secretary

Dated: 20 June 2017

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<sup>1</sup> Regulation 162 of the Fair Work (Registered Organisations) Regulations 2009 defines a 'prescribed designated officer' of a reporting unit for the purposes of s.268(c) as:  
 (a) the secretary; or  
 (b) an officer of the organisation other than the secretary who is authorised by the organisation or by the rules of the organisation to sign the certificate mentioned in that paragraph.



## **AUSTRALIAN EDUCATION UNION – ACT BRANCH**

**ABN: 98 106 001 142**

*for the period ended 31 December 2016*

The committee presents its report on the reporting unit for the financial year ended 31 December 2016.

### **OPERATING REPORT**

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

#### **Principal Activities**

During the year, the principal continuing activities of the Association was to obtain and secure for its members the best possible conditions and proper and sufficient remuneration and to guard them against hardship, oppression or injustice in connection with their employment. And to foster, protect and promote the interests of government and public education, including kindergarten and preschool education, infants and primary education, secondary education, technical and further education, education at universities and colleges of advanced education and recurrent education.

#### **Results of the Principal Activities**

The Australian Education Union – ACT Branch (AEU-ACT) is a federally registered Union and provides a wide range of industrial relations services to assist members to comply with employment issues, regulatory and legislative matters.

Secondly, the AEU-ACT's services as a lobby group on behalf of the industry and provides a voice for the collective interests of teachers in the education industry.

Thirdly, the AEU-ACT has developed strong relationships with key local and federal parliamentary figures, and with senior public servants in relevant government departments and agencies.

#### **Significant changes in the nature of the principal activities**

In the opinion of the committee members there were no significant changes in the nature of these principal activities that occurred during the financial year under review.

#### **Financial Operating Result**

The operating surplus of the Association amounted to \$134,306. The figure represents a true and fair view of the results achieved during the reporting period.

#### **Non-Financial Operating Result**

1. There was no enterprise bargaining in 2016, though work was done preparing claims for our school assistant and TAFE enterprise agreements to be negotiated in 2017.
2. On the national stage, the ACT Branch has participated actively in national campaigns regarding federal government policy, notably on early childhood education funding, the Gonski schools funding campaign and vocational education and training.
3. In 2016 the Branch achieved its long-standing goal of convincing the Canberra times not to publish whole NAPLAN league tables which rank schools from top to bottom, demoralising those at the bottom.
4. The Branch negotiated to bring more realistic times and appropriate local flexibility into a proposed new student reports process.
5. The Branch ensured that school assistants delivering healthcare through the Health Access At School (HAAS) program will be properly trained remunerated through an annual allowance and will participate only if they feel competent and confident to do so.

## AUSTRALIAN EDUCATION UNION – ACT BRANCH

ABN: 98 106 001 142

### OPERATING REPORT (Continued)

#### Non-Financial Operating Result (Continued)

6. This year the Branch actively monitored the implementation of each sub-branch's workload reduction plan, which our members inform us are making a difference.
7. The Branch campaigned actively in support of candidates who prioritised public education in both federal and ACT elections in 2016.
8. The Branch began negotiating with the Directorate an Occupational Violence Management Plan, along with policy, procedures and tools, due to the fact that surveys confirmed our suspicions that many of our members feel unsafe as the result of physical violence and verbal abuse, and have been unclear as to how to deal with it. The policy work is set for completion in 2017 and we will embark on a program of cultural change so that aggressive behaviours is not accepted in schools.
9. The 2016 Public Education Dinner was held at the National Press Club in late May, and was again a sell-out, attracting member support and public interest.
10. Members were supported at their worksites throughout the year regarding individual and collective issues.
11. The AEU at Branch and federal level asked members to complete a number of online surveys which assisted with various campaigns.
12. Our office structure was adjusted only slightly in 2016, as we move to one Industrial Support or Member Response Officer. Extra support for the Branch Industrial Officer was provided in an interim fashion with a view to a more permanent addition. This was largely due to an increase in work associated with occupational violence as members became bolder in coming forward with concerns.
13. In 2016, the Branch continued a strong presence on Facebook and Twitter, growing our follower base, using it to share news and opinions, promote events, support petitions, celebrate achievements and successes and build a community of share commitment to public education.
14. The secretary Glenn Fowler was re-elected at the end of 2016 to start the 2017/18 term. A new president Angela Burroughs was elected for the same period.
15. All Branch Executive members including Senior Officers have received approved financial management training.
16. Our Birrigai Leaders Retreat weekend was held on 1-2 April 2016. Further to this, training in professional and industrial matters has been provided to members in central locations and at workplaces.
17. Negotiations continued on the Directorate's School Assistant Review and it was close to completion by the end of 2016.
18. During 2016 five loans for members in need from the Member Welfare Fund were approved to a total of \$18,500. Four loans were repaid in full.
19. AEU women attending the Federal Women's Conference heard from experts in their field regarding issues relevant to assisting the AEU put into context the programs, policies and affirmative action strategies that we employ in our union activities. There were presentations on the ongoing arguments on the disadvantages that women and girls experience both in education, the world of work and more generally in our community globally.

## **AUSTRALIAN EDUCATION UNION – ACT BRANCH**

**ABN: 98 106 001 142**

### **OPERATING REPORT (Continued)**

#### **Non-Financial Operating Result (Continued)**

20. Design work was completed for the refurbishment of the AEU ACT Branch Office and the work was underway prior to Christmas 2016 with expected completion date of 27th January 2017.

#### **Significant changes in financial affairs**

In the opinion of the committee members there were no significant changes in the financial affairs that occurred during the financial year under review.

#### **Right of members to resign**

All members of the Union have the right to resign from the Union in accordance with Rule 34(c) of the Union Rules, (and section 174 of the Fair Work (Registered Organisations) Act 2009); namely, by providing written notice of changes to their membership within 28 days of the change occurring.

#### **Officers or members who are superannuation fund trustee(s) (include position details) or director of a company that is a superannuation fund trustee**

No members were involved in trusteeships or directorships on behalf of the Association as directors of any superannuation fund where the criterion for the officer or member to be the trustee is that the person is an officer or member of a registered organisation.

No members were a director of a company or a member of a board on behalf of the Association.

#### **Number of members**

The number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 3345.

#### **Number of employees**

12.6 full-time equivalent employees were employed by the ACT Branch during the 2016 financial reporting period.

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

Glenn Fowler  
Branch Secretary  
From 1 January 2016 to 31 December 2016  
Occupation: Branch Secretary

Lana Read  
Branch President  
From 1 January 2016 to 31 December 2016  
Occupation: Principal

Roger Amey  
Branch Vice President  
From 1 January 2016 – 31 December 2016  
Occupation: Teacher

**AUSTRALIAN EDUCATION UNION – ACT BRANCH**

**ABN: 98 106 001 142**

**OPERATING REPORT (Continued)**

Karen Noble  
TAFE Vice President  
From 1 January 2016 – 31 December 2016  
Occupation: Teacher

Angela Burroughs  
Branch Vice President  
From 1 January 2016 – 31 December 2016  
Occupation: Teacher

Philippa O'Shea  
General Membership Representative  
From 1 January 2016 – 15 January 2016  
Occupation: Teacher

Suki Dorras-Walker  
General Membership Representative  
From 1 January 2016 – 15 January 2016  
Occupation: Teacher

Shane Gorman  
General Membership Representative  
From 1 January 2016 – 31 December 2016  
Occupation: Principal

Theresa Carroll  
General Membership Representative  
From 1 January 2016 – 31 December 2016  
Occupation: Teacher

Fiona Stevenson  
General Membership Representative  
From 1 January 2016 – 31 December 2016  
Occupation: Teacher

Emma Cox  
General Membership Representative  
From 1 January 2016 – 31 December 2016  
Occupation: Teacher

Susan Thomson  
General Membership Representative  
From 1 January 2016 – 31 December 2016  
Occupation: School Assistant

Trish Ghirardello  
General Membership Representative  
From 1 January 2016 – 31 December 2016  
Occupation: Teacher

Anne Brown  
TAFE Representative - Alternate  
From 1 January 2016 – 31 December 2016  
Occupation: Teacher

**AUSTRALIAN EDUCATION UNION – ACT BRANCH**

**ABN: 98 106 001 142**

**OPERATING REPORT (Continued)**

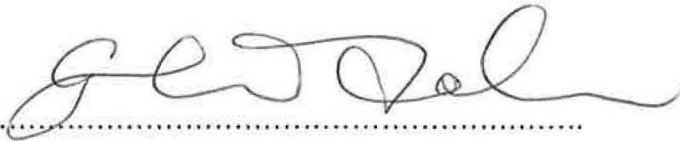
Don Bemrose  
General Membership Representative  
From 8 March 2016 – 31 December 2016  
Occupation: School Assistant

Peter Curtis  
General Membership Representative  
From 8 March 2016 – 31 December 2016  
Occupation: Teacher

The address for all persons is 40 Brisbane Avenue BARTON ACT 2600.

There were no new branches or divisions established and no branches or divisions ceased to operate in 2016.

Signature of designated officer:



.....

Name and title of designated officer: Glenn Fowler (Branch Secretary)

Dated:

20 June 2017

.....

**AUSTRALIAN EDUCATION UNION – ACT BRANCH**

**ABN: 98 106 001 142**

**COMMITTEE OF MANAGEMENT STATEMENT**

*for the period ended 31 December 2016*


On the 20 day of June 2017 the committee of management of the Australian Education Union – ACT Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:

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 the reporting guidelines of the General Manager;
- (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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) the reporting unit has not derived revenue from undertaking recovery of wages activity, include the statement 'no revenue has been derived from undertaking recovery of wages activity during the reporting period'

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

Signature of prescribed designated officer: .....



Name of prescribed designated officer: Glenn Fowler

Title of prescribed designated officer: Branch Secretary

Dated: 20 June 2017

**AUSTRALIAN EDUCATION UNION – ACT BRANCH**  
**ABN: 98 106 001 142**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the period ended 31 December 2016*

|  | Notes | 2016<br>\$       | 2015<br>\$       |
|--|-------|------------------|------------------|
| <b>Revenue</b>   |       |                  |                  |
| Membership subscription*   |       | 2,172,463        | 2,052,502        |
| Capitation fees  | 3A    | -                | -                |
| Levies   | 3B    | -                | -                |
| Interest   | 3C    | 14,139           | 23,108           |
| Rental revenue   | 3D    | 38,739           | 45,104           |
| Advertising  |       | 12,805           | 19,509           |
| <b>Total revenue</b>   |       | <b>2,238,146</b> | <b>2,140,223</b> |
| <b>Other Income</b>  |       |                  |                  |
| Grants or donations  | 3E    | -                | -                |
| Event and project revenue  | 3F    | 16,428           | 23,300           |
| Other Income   | 3G    | 176,944          | -                |
| <b>Total other income</b>  |       | <b>193,372</b>   | <b>23,300</b>    |
| <b>Total income</b>  |       | <b>2,431,518</b> | <b>2,163,523</b> |
| <b>Expenses</b>  |       |                  |                  |
| Employee expenses  | 4A    | 1,387,387        | 1,521,544        |
| Capitation fees  | 4B    | 131,938          | 109,882          |
| Affiliation fees   | 4C    | 43,066           | 38,519           |
| Administration expenses  | 4D    | 493,097          | 410,802          |
| Grants or donations  | 4E    | 7,770            | 5,350            |
| Depreciation and amortisation                                      | 4F    | 35,279           | 35,249           |
| Finance costs  | 4G    | 11,153           | 10,806           |
| Legal costs  | 4H    | 48,320           | 16,511           |
| Accounting fees  |       | 37,888           | 37,869           |
| Audit fees   | 12    | 14,500           | 42,000           |
| Campaigns  | 4I    | 32,576           | 32,274           |
| Members and professional development cost                          | 4J    | 54,238           | 22,646           |
| Other expenses   | 4K    | -                | -                |
| <b>Total expenses</b>  |       | <b>2,297,212</b> | <b>2,283,452</b> |
| <b>Profit (loss) for the year</b>                                  |       | <b>134,306</b>   | <b>(119,929)</b> |
| <b>Other comprehensive income</b>                                  |       |                  |                  |
| Items that will not be subsequently reclassified to profit or loss |       | -                | -                |
| Gain on revaluation of land & buildings                            |       | -                | -                |
| <b>Total comprehensive income for the year</b>                     |       | <b>134,306</b>   | <b>(119,929)</b> |

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

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

**AUSTRALIAN EDUCATION UNION – ACT BRANCH**  
**ABN: 98 106 001 142**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 31 December 2016*

|  | Notes | 2016<br>\$       | 2015<br>\$ |
|--|-------|------------------|------------|
| <b>ASSETS</b>                                      |       |                  |            |
| <b>Current Assets</b>                              |       |                  |            |
| Cash and cash equivalents                          | 5A    | <b>838,054</b>   | 1,160,346  |
| Trade and other receivables                        | 5B    | <b>27,540</b>    | 73,552     |
| Other current assets                               | 5C    | <b>217,223</b>   | 85,750     |
| <b>Total current assets</b>                        |       | <b>1,082,817</b> | 1,319,648  |
| <b>Non-Current Assets</b>                          |       |                  |            |
| Land and buildings                                 | 6A    | <b>998,446</b>   | 1,014,391  |
| Plant and equipment                                | 6B    | <b>53,945</b>    | 45,456     |
| Property Improvements                              | 6C    | <b>189,704</b>   | -          |
| <b>Total non-current assets</b>                    |       | <b>1,242,095</b> | 1,059,846  |
| <b>Total assets</b>                                |       | <b>2,324,912</b> | 2,379,495  |
| <b>LIABILITIES</b>                                 |       |                  |            |
| <b>Current Liabilities</b>                         |       |                  |            |
| Trade payables                                     | 7A    | <b>2,193</b>     | 16,389     |
| Other payables                                     | 7B    | <b>247,507</b>   | 298,597    |
| Employee provisions                                | 8     | <b>122,508</b>   | 170,537    |
| <b>Total current liabilities</b>                   |       | <b>372,208</b>   | 485,523    |
| <b>Non-Current Liabilities</b>                     |       |                  |            |
| Employee provisions                                | 8     | -                | 58,713     |
| <b>Total non-current liabilities</b>               |       | -                | 58,713     |
| <b>Total liabilities</b>                           |       | <b>372,208</b>   | 544,236    |
| <b>Net assets</b>                                  |       | <b>1,952,704</b> | 1,835,259  |
| <b>EQUITY</b>                                      |       |                  |            |
| Revaluation of leasehold land and building reserve | 9     | <b>282,389</b>   | 282,389    |
| Prior year adjustments                             |       | <b>(16,861)</b>  | 23,777     |
| Retained earnings (accumulated deficit)            |       | <b>1,687,176</b> | 1,529,093  |
| <b>Total equity</b>                                |       | <b>1,952,704</b> | 1,835,259  |

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



**AUSTRALIAN EDUCATION UNION – ACT BRANCH**  
**ABN: 98 106 001 142**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the period ended 31 December 2016*

|   | Notes | Asset<br>revaluation<br>reserve<br>\$ | Retained<br>earnings<br>\$ | Total equity<br>\$ |
|---|-------|---------------------------------------|----------------------------|--------------------|
| <b>Balance as at 1 January 2015</b>           |       | 282,389                               | 1,649,022                  | 1,931,411          |
| Adjustment for errors                         |       | -                                     | 23,777                     | 23,777             |
| Profit for the year                           |       | -                                     | (119,929)                  | (119,929)          |
| Transfer to/from other fund                   | 9     | -                                     | -                          | -                  |
| <b>Closing balance as at 31 December 2015</b> |       | <b>282,389</b>                        | <b>1,552,870</b>           | <b>1,835,259</b>   |
| Adjustment for errors                         |       | -                                     | (16,861)                   | (16,861)           |
| Profit for the year                           |       | -                                     | 134,306                    | 134,306            |
| Transfer to/from other fund                   | 9     | -                                     | -                          | -                  |
| <b>Closing balance as at 31 December 2016</b> |       | <b>282,389</b>                        | <b>1,670,315</b>           | <b>1,952,704</b>   |

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

**AUSTRALIAN EDUCATION UNION – ACT BRANCH**  
**ABN: 98 106 001 142**  
**CASH FLOW STATEMENT**  
*for the period ended 31 December 2016*

|   | Notes | 2016<br>\$       | 2015<br>\$       |
|---|-------|------------------|------------------|
| <b>OPERATING ACTIVITIES</b>   |       |                  |                  |
| <b>Cash received</b>  |       |                  |                  |
| Receipts from other reporting units/controlled entity(s)              | 10B   | -                | -                |
| Interest  |       | 14,139           | 23,108           |
| Other   |       | 2,463,391        | 2,317,607        |
|   |       | <b>2,477,530</b> | <b>2,340,715</b> |
| <b>Cash used</b>  |       |                  |                  |
| Employees   |       | (1,494,129)      | (1,402,426)      |
| Suppliers   |       | (911,786)        | (778,147)        |
| Payment to AEU Federal Office   | 10B   | (176,379)        | (163,540)        |
| <b>Net cash from (used by) operating activities</b>                   | 10A   | <b>(104,764)</b> | <b>(3,398)</b>   |
| <b>Cash used</b>  |       |                  |                  |
| Purchase of plant and equipment                                       |       | (27,287)         | (10,437)         |
| Property Improvements   |       | (190,241)        | -                |
| Purchase of land and buildings  |       | -                | -                |
| <b>Net cash used by investing activities</b>                          |       | <b>(217,528)</b> | <b>(10,437)</b>  |
| <b>Net increase (decrease) in cash held</b>                           |       | <b>(322,292)</b> | <b>(13,835)</b>  |
| Cash & cash equivalents at the beginning of the reporting period      |       | 1,160,346        | 1,174,181        |
| <b>Cash &amp; cash equivalents at the end of the reporting period</b> | 5A    | <b>838,054</b>   | <b>1,160,346</b> |

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

**AUSTRALIAN EDUCATION UNION – ACT BRANCH**

ABN: 98 106 001 142

**RECOVERY OF WAGES ACTIVITY\***

for the period ended 31 December 2016

|   | 2016 | 2015 |
|---|------|------|
|   | \$   | \$   |
| <b>Cash assets in respect of recovered money at beginning of year</b>                         | -    | -    |
| <b>Receipts</b>   |      |      |
| Amounts recovered from employers in respect of wages etc.                                     | -    | -    |
| Interest received on recovered money  | -    | -    |
| <b>Total receipts</b>   | -    | -    |
| <b>Payments</b>   |      |      |
| Deductions of amounts due in respect of membership for:                                       |      |      |
| 12 months or less   | -    | -    |
| Greater than 12 months  | -    | -    |
| Deductions of donations or other contributions to accounts or funds of:                       |      |      |
| The reporting unit:   |      |      |
| name of account   | -    | -    |
| name of fund  | -    | -    |
| Name of other reporting unit of the organisation:   |      |      |
| name of account   | -    | -    |
| name of fund  | -    | -    |
| Name of other entity:   |      |      |
| name of account   | -    | -    |
| name of fund  | -    | -    |
| Deductions of fees or reimbursement of expenses   | -    | -    |
| Payments to workers in respect of recovered money   | -    | -    |
| <b>Total payments</b>   | -    | -    |
| <b>Cash assets in respect of recovered money at end of year</b>                               | -    | -    |
| Number of workers to which the monies recovered relates                                       | -    | -    |
| <b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b> |      |      |
| Payable balance   | -    | -    |
| Number of workers the payable relates to  | -    | -    |
| <b>Fund or account operated for recovery of wages</b>   |      |      |
| <i>[Insert fund or account name. If invested in assets include value of each asset]</i>       | -    | -    |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

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

## Index to the Notes of the Financial Statements

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| Note 1  | Summary of significant accounting policies                       |
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## **Note 1 Summary of significant accounting policies**

### **1.1 Basis of preparation of the financial statements**

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

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

### **1.2 Comparative amounts**

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

### **1.3 Significant accounting judgements and estimates**

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

### **1.4 New Australian Accounting Standards**

#### ***Adoption of New Australian Accounting Standard requirements***

No accounting standard has been adopted earlier than the application date stated in the standard.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

- *AASB 2013-9 Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments* contains three main parts and makes amendments to a number of Standards and Interpretations.  
Part A of AASB 2013-9 makes consequential amendments arising from the issuance of AASB CF 2013-1.  
Part B makes amendments to particular Australian Accounting Standards to delete references to AASB 1031 and also makes minor editorial amendments to various other standards.  
Part C makes amendments to a number of Australian Accounting Standards, including incorporating Chapter 6 Hedge Accounting into AASB 9 *Financial Instruments*.  
The adoption of this Standard did not have an impact on the Australian Education Union – ACT Branch.
- *AASB 2015-3 Amendments to Australian Accounting Standards arising from the Withdrawal of AASB 1031 Materiality* completes the AASB's project to remove Australian guidance on materiality from Australian Accounting Standards  
The adoption of this Standard did not have an impact on the Australian Education Union – ACT Branch.

- AASB 2015-4 *Amendments to Australian Accounting Standards – Financial Reporting Requirements for Australian Groups with a Foreign Parent* aligns the relief available in AASB 10 *Consolidated Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* in respect of the financial reporting requirements for Australian groups with a foreign parent.

The adoption of this Standard did not have an impact on the Australian Education Union – ACT Branch.

### ***Future Australian Accounting Standards Requirements***

There are no new standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are expected to have a future financial impact on Australian Education Union – ACT Branch.

## **1.5 Revenue**

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

## **1.6 Gains**

### ***Sale of assets***

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

## **1.7 Capitation fees and levies**

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

## **1.8 Employee benefits**

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

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

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

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

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

## **1.9 Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

## **1.10 Borrowing costs**

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

## **1.11 Cash**

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

## 1.12 Financial instruments

Financial assets and financial liabilities are recognised when the Australian Education Union – ACT Branch entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 1.13 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

### ***Fair value through profit or loss***

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.



### ***Held-to-maturity investments***

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

### ***Available-for-sale***

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit's right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

### ***Loan and receivables***

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### ***Effective interest method***

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

### ***Impairment of financial assets***

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a

collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

### ***Derecognition of financial assets***

The reporting unit derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

## **1.14 Financial Liabilities**

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

### ***Fair value through profit or loss***

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### ***Other financial liabilities***

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

### ***Derecognition of financial liabilities***

The reporting unit derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## **1.15 Contingent Liabilities and Contingent Assets**

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

## 1.16 Land, Buildings, Plant and Equipment

### ***Asset Recognition Threshold***

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

### ***Revaluations—Land and Buildings***

Following initial recognition at cost, land and buildings 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.

### ***Depreciation***

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

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

|                     |                     |              |
|---------------------|---------------------|--------------|
|                     | <b>2016</b>         | 2015         |
| Land & buildings    | <b>40 years</b>     | 40 years     |
| Plant and equipment | <b>3 to 5 years</b> | 3 to 5 years |

### ***Derecognition***

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

## 1.17 Investment property

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

### **1.18 Impairment for non-financial assets**

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

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

### **1.19 Non-current assets held for sale**

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

### **1.20 Taxation**

Australian Education Union – ACT Branch 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.

### **1.21 Fair value measurement**

The Australian Education Union – ACT Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties,

at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 14.

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

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

The principal or the most advantageous market must be accessible by the Australian Education Union – ACT Branch. 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 Australian Education Union – ACT Branch 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 Australian Education Union – ACT Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Australian Education Union – ACT Branch 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.

## **1.22 Going concern**

Australian Education Union – ACT Branch is not reliant on any of the agreed financial support to continue on a going concern basis.

Australian Education Union – ACT Branch has not agreed to provide anyone with financial support to ensure they can continue on a going concern basis.

### **1.23 Acquire an asset or a liability**

The entity has not acquired an asset or a liability during the financial year as a result of:

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

### **1.24 Financial affairs**

The entity's financial affairs are not administrated by any other entity during the financial year.

### **Note 2 Events after the reporting period**

There were no events that occurred after 31 December 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Australian Education Union – ACT Branch.

|   | 2016           | 2015          |
|---|----------------|---------------|
|   | \$             | \$            |
| <b>Note 3 Income</b>                      |                |               |
| <b>Note 3A: Capitation fees *</b>         |                |               |
| AEU – Federal Office                      | -              | -             |
| <b>Total capitation fees</b>              | <u>-</u>       | <u>-</u>      |
| <b>Note 3B: Levies*</b>                   |                |               |
| Levies                                    | -              | -             |
| <b>Total levies</b>                       | <u>-</u>       | <u>-</u>      |
| <b>Note 3C: Interest</b>                  |                |               |
| Deposits                                  | 14,139         | 23,108        |
| <b>Total interest</b>                     | <u>14,139</u>  | <u>23,108</u> |
| <b>Note 3D: Rental revenue</b>            |                |               |
| Properties                                | 38,739         | 45,104        |
| <b>Total rental revenue</b>               | <u>38,739</u>  | <u>45,104</u> |
| <b>Note 3E: Grants or Donations *</b>     |                |               |
| Grants                                    | -              | -             |
| Donations                                 | -              | -             |
| <b>Total grants or donations</b>          | <u>-</u>       | <u>-</u>      |
| <b>Note 3F: Event and project revenue</b> |                |               |
| Public education week event               | 15,823         | 18,845        |
| NWEP project                              | -              | 4,455         |
| Women's Fund Event Income                 | 605            | -             |
| <b>Total event and project revenue</b>    | <u>16,428</u>  | <u>23,300</u> |
| <b>Note 3G: Other Income</b>              |                |               |
| Paid Parental Leave                       | 11,829         | -             |
| Recoveries - Legal Proceedings            | 156,024        | -             |
| Scholarships                              | 9,091          | -             |
| <b>Total Other Income</b>                 | <u>176,944</u> | <u>-</u>      |

\* As required by the Reporting Guidelines. Item to remain even if 'nil'



|      |      |
|------|------|
| 2016 | 2015 |
| \$   | \$   |

## Note 4 Expenses

### Note 4A: Employee expenses\*

#### Holders of office:

|   |                |                |
|---|----------------|----------------|
| Wages and salaries                                  | 96,059         | 186,946        |
| Superannuation                                      | 32,070         | 46,384         |
| Leave and other entitlements                        | 44,343         | 68,386         |
| Separation and redundancies                         | -              | -              |
| Other employee expenses                             | 3,915          | 5,275          |
| <b>Subtotal employee expenses holders of office</b> | <b>176,387</b> | <b>306,991</b> |

#### Employees other than office holders:

|   |                  |                  |
|---|------------------|------------------|
| Wages and salaries  | 1,118,687        | 707,635          |
| Superannuation  | 173,693          | 152,661          |
| Leave and other entitlements  | (123,101)        | 327,267          |
| Separation and redundancies   | -                | -                |
| Other employee expenses   | 41,721           | 26,990           |
| <b>Subtotal employee expenses employees other than office holders</b> | <b>1,211,000</b> | <b>1,214,553</b> |
| <b>Total employee expenses</b>  | <b>1,387,387</b> | <b>1,521,544</b> |

### Note 4B: Capitation fees\*

|   |                |                |
|---|----------------|----------------|
| Australian Education Union – Federal Office | 131,938        | 109,882        |
| <b>Total capitation fees</b>                | <b>131,938</b> | <b>109,882</b> |

### Note 4C: Affiliation fees\*

|   |               |               |
|---|---------------|---------------|
| Australian Education Union – Federal Office | 15,252        | 21,373        |
| Unions ACT                                  | -             | -             |
| Trades and labour council ACT               | 27,814        | 17,146        |
| <b>Total affiliation fees/subscriptions</b> | <b>43,066</b> | <b>38,519</b> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|  | 2016           | 2015           |
|--|----------------|----------------|
|  | \$             | \$             |
| <b>Note 4D: Administration expenses</b>            |                |                |
| Consideration to employers for payroll deductions* | -              | -              |
| Compulsory levies*                                 |                |                |
| Australian educator publication levy               | 11,641         | 11,209         |
| TAFE publication levy                              | 711            | 718            |
| ACTU campaign levy                                 | 14,036         | 20,328         |
| Fees/allowances - meeting and conferences*         | 15,826         | 19,804         |
| Conference and meeting expenses*                   | 41,677         | 42,157         |
| Contractors/consultants                            | -              | 4,458          |
| Property expenses                                  | 72,510         | 58,962         |
| Subscriptions                                      | 2,128          | 2,111          |
| Office expenses                                    | 43,461         | 50,144         |
| Payroll tax and fringe benefits tax expenses       | 27,947         | -              |
| Other expenses                                     | 4,930          | 3,713          |
| Recruitment  | 50,937         | -              |
| Information communications technology              | 52,919         | 49,938         |
| Insurances   | 43,824         | 43,147         |
| Special interest and event                         | 44,005         | 38,667         |
| Marketing and promotions                           | 66,545         | 65,446         |
| <b>Subtotal administration expense</b>             | <b>493,097</b> | <b>410,802</b> |
| Operating lease rentals:                           |                |                |
| Minimum lease payments                             | -              | -              |
| <b>Total administration expenses</b>               | <b>493,097</b> | <b>410,802</b> |

**Note 4E: Grants or donations\***

|                                      |              |              |
|--------------------------------------|--------------|--------------|
| Grants:                              |              |              |
| Total paid that were \$1,000 or less | -            | -            |
| Total paid that exceeded \$1,000     | -            | -            |
| Donations:                           |              |              |
| Total paid that were \$1,000 or less | 6,100        | 1,350        |
| Total paid that exceeded \$1,000     | 1,670        | 4,000        |
| <b>Total grants or donations</b>     | <b>7,770</b> | <b>5,350</b> |

**Note 4F: Depreciation and amortisation**

|                               |               |               |
|-------------------------------|---------------|---------------|
| Depreciation                  |               |               |
| Land & buildings              | 15,944        | 15,900        |
| Property, plant and equipment | 19,335        | 19,349        |
| <b>Total depreciation</b>     | <b>35,279</b> | <b>35,249</b> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|                               | 2016          | 2015          |
|-------------------------------|---------------|---------------|
|                               | \$            | \$            |
| <b>Note 4G: Finance costs</b> |               |               |
| Bank charges                  | 10,347        | 10,690        |
| Interest paid                 | 806           | 116           |
| <b>Total finance costs</b>    | <u>11,153</u> | <u>10,806</u> |

**Note 4H: Legal costs\***

|                          |               |               |
|--------------------------|---------------|---------------|
| Litigation               | -             | -             |
| Other legal matters      | 48,320        | 16,511        |
| <b>Total legal costs</b> | <u>48,320</u> | <u>16,511</u> |

**Note 4I: Campaigns**

|                          |               |               |
|--------------------------|---------------|---------------|
| Federal campaigns        | 2,958         | 2,352         |
| Election campaigns       | -             | -             |
| Research and submissions | 569           | 273           |
| Branch campaigns         | 29,049        | 29,649        |
| <b>Total campaigns</b>   | <u>32,576</u> | <u>32,274</u> |

**Note 4J: Members and professional development costs**

|   |               |               |
|---|---------------|---------------|
| Members and executive training                          | 20,259        | 14,555        |
| Members benefits  | 14,538        | -             |
| Professional development costs                          | 19,441        | 8,091         |
| <b>Total members and professional development costs</b> | <u>54,238</u> | <u>22,646</u> |

**Note 4K: Other expenses**

|   |          |          |
|---|----------|----------|
| Penalties - via RO Act or RO Regulations* | -        | -        |
| <b>Total other expenses</b>               | <u>-</u> | <u>-</u> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|             |             |
|-------------|-------------|
| <b>2016</b> | <b>2015</b> |
| \$          | \$          |

## Note 5 Current Assets

### Note 5A: Cash and Cash Equivalents

|  |                |                  |
|--|----------------|------------------|
| Cash at bank                           | <b>837,554</b> | 334,829          |
| Cash on hand                           | <b>500</b>     | 778              |
| Short term deposits                    | -              | 824,739          |
| <b>Total cash and cash equivalents</b> | <b>838,054</b> | <b>1,160,346</b> |

### Note 5B: Trade and Other Receivables

#### Receivables from other reporting unit\*

|  |          |              |
|--|----------|--------------|
| Australian Education Union – Federal Office        | -        | 1,987        |
| <b>Total receivables from other reporting unit</b> | <b>-</b> | <b>1,987</b> |

#### Less provision for doubtful debts\*

|   |          |              |
|---|----------|--------------|
| Australian Education Union – Federal Office       | -        | -            |
| <b>Total provision for doubtful debts</b>         | <b>-</b> | <b>-</b>     |
| <b>Receivable from other reporting unit (net)</b> | <b>-</b> | <b>1,987</b> |

#### Other receivables:

|  |               |               |
|--|---------------|---------------|
| Other trade receivables                        | <b>3,572</b>  | 33,536        |
| Accrued interests                              | -             | 7,065         |
| Members welfare loan                           | <b>23,968</b> | 30,964        |
| <b>Total other receivables</b>                 | <b>27,540</b> | <b>71,565</b> |
| <b>Total trade and other receivables (net)</b> | <b>27,540</b> | <b>73,552</b> |

### Note 5C: Other Current Assets

|                                   |                |               |
|-----------------------------------|----------------|---------------|
| Prepayments                       | <b>66,791</b>  | 22,037        |
| Other receivables                 | <b>150,432</b> | 63,713        |
| <b>Total other current assets</b> | <b>217,223</b> | <b>85,750</b> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

2016            2015  
\$                    \$

## Note 6 Non-current Assets

### Note 6A: Land and buildings

|                                 |                |                  |
|---------------------------------|----------------|------------------|
| Land and buildings:             |                |                  |
| fair value                      | 1,440,497      | 1,440,497        |
| accumulated depreciation        | (442,051)      | (426,106)        |
| <b>Total land and buildings</b> | <b>998,446</b> | <b>1,014,391</b> |

### Reconciliation of the Opening and Closing Balances of Land and Buildings

|   |                  |                  |
|---|------------------|------------------|
| <b>As at 1 January</b>                                  |                  |                  |
| Gross book value  | 1,440,497        | 1,440,497        |
| Accumulated depreciation and impairment                 | (426,106)        | (410,207)        |
| <b>Net book value 1 January</b>                         | <b>1,014,391</b> | <b>1,030,290</b> |
| Additions:  |                  |                  |
| By purchase   |                  |                  |
| Depreciation expense                                    | (15,945)         | (15,899)         |
| <b>Net book value 31 December</b>                       | <b>998,446</b>   | <b>1,014,391</b> |
| <b>Net book value as of 31 December represented by:</b> |                  |                  |
| Gross book value  | 1,440,497        | 1,440,497        |
| Accumulated depreciation and impairment                 | (442,051)        | (426,106)        |
| <b>Net book value 31 December</b>                       | <b>998,446</b>   | <b>1,014,391</b> |

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

|   |           |           |
|---|-----------|-----------|
| Cost                                    | 1,158,108 | 1,158,108 |
| Accumulated depreciation and impairment | (442,051) | (426,106) |
| Net carrying amount                     | 716,057   | 732,002   |

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 difference in the nature, location or condition of the specific property. As at the date of revaluation (11 December 2009), the properties' fair values are based on valuations performed by Steven Flannery AAPI, an accredited independent valuer.

#### Significant unobservable valuation input

#### Range

Example: Price per square metre

[\$2 932 – \$3 858]

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

|      |      |
|------|------|
| 2016 | 2015 |
| \$   | \$   |

**Note 6B: Plant and equipment**

|                                  |               |               |
|----------------------------------|---------------|---------------|
| Plant and equipment:             |               |               |
| at cost                          | 195,273       | 167,986       |
| accumulated depreciation         | (141,328)     | (122,530)     |
| <b>Total plant and equipment</b> | <b>53,945</b> | <b>45,456</b> |

**Reconciliation of the Opening and Closing Balances of Plant and Equipment**

|   |               |               |
|---|---------------|---------------|
| <b>As at 1 January</b>                                  |               |               |
| Gross book value  | 167,986       | 157,549       |
| Accumulated depreciation and impairment                 | (122,530)     | (103,181)     |
| <b>Net book value 1 January</b>                         | <b>45,456</b> | <b>54,368</b> |
| Additions:  |               |               |
| By purchase   | 27,287        | 10,437        |
| Depreciation expense                                    | (18,798)      | (19,349)      |
| Website design book value adjustments*                  | -             | -             |
| <b>Net book value 31 December</b>                       | <b>53,945</b> | <b>45,456</b> |
| <b>Net book value as of 31 December represented by:</b> |               |               |
| Gross book value  | 195,273       | 167,986       |
| Accumulated depreciation and impairment                 | (141,328)     | (122,530)     |
| <b>Net book value 31 December</b>                       | <b>53,945</b> | <b>45,456</b> |

**Note 6C: Property Improvements**

|                                  |                |          |
|----------------------------------|----------------|----------|
| Property Improvements:           |                |          |
| at cost                          | 190,241        | -        |
| accumulated depreciation         | (537)          | -        |
| <b>Total plant and equipment</b> | <b>189,704</b> | <b>-</b> |

**Reconciliation of the Opening and Closing Balances of Property Improvements**

|   |                |          |
|---|----------------|----------|
| <b>As at 1 January</b>                                  |                |          |
| Gross book value  | -              | -        |
| Accumulated depreciation and impairment                 | -              | -        |
| <b>Net book value 1 January</b>                         | <b>-</b>       | <b>-</b> |
| Additions:  |                |          |
| By purchase   | 190,241        | -        |
| Depreciation expense                                    | (537)          | -        |
| Website design book value adjustments*                  | -              | -        |
| <b>Net book value 31 December</b>                       | <b>189,704</b> | <b>-</b> |
| <b>Net book value as of 31 December represented by:</b> |                |          |
| Gross book value  | 190,241        | -        |
| Accumulated depreciation and impairment                 | (537)          | -        |
| <b>Net book value 31 December</b>                       | <b>189,704</b> | <b>-</b> |

|             |      |
|-------------|------|
| <b>2016</b> | 2015 |
| \$          | \$   |

**Note 7 Current Liabilities**

**Note 7A: Trade payables**

|  |              |        |
|--|--------------|--------|
| Trade creditors and accruals                     | <b>2,193</b> | 16,389 |
| <b>Subtotal trade creditors</b>                  | <b>2,193</b> | 16,389 |
| <br>   |              |        |
| <b>Payables to other reporting unit*</b>         |              |        |
| AEU Federal Office                               | -            | -      |
| <b>Subtotal payables to other reporting unit</b> | -            | -      |
| <br>   |              |        |
| <b>Total trade payables</b>                      | <b>2,193</b> | 16,389 |

Settlement is usually made within 30 days.

**Note 7B: Other payables**

|   |                |         |
|---|----------------|---------|
| Superannuation                                      | <b>31,110</b>  | 68,479  |
| Consideration to employers for payroll deductions*  | -              | -       |
| Legal costs*  | -              | -       |
| Prepayments received/unearned revenue               | <b>105,040</b> | 102,863 |
| ATO payable   | <b>33,970</b>  | 47,378  |
| PAYG payable  | <b>30,050</b>  | 31,884  |
| FBT Payable   | <b>10,937</b>  | -       |
| GST payable   | <b>22,650</b>  | 34,793  |
| Audit Fees  | <b>13,750</b>  | 13,200  |
| <b>Total other payables</b>                         | <b>247,507</b> | 298,597 |
| <br>  |                |         |
| Total other payables are expected to be settled in: |                |         |
| No more than 12 months                              | <b>247,507</b> | 298,597 |
| More than 12 months                                 | -              | -       |
| <b>Total other payables</b>                         | <b>247,507</b> | 298,597 |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|             |           |
|-------------|-----------|
| <b>2016</b> | 2015      |
| <b>\$</b>   | <b>\$</b> |

**Note 8 Employee Provisions\***

**Office Holders:**

|                              |               |        |
|------------------------------|---------------|--------|
| Annual leave                 | <b>3,726</b>  | 8,145  |
| Long service leave           | <b>31,679</b> | 39,561 |
| Separations and redundancies | -             | -      |
| Other                        | -             | -      |

|   |               |               |
|---|---------------|---------------|
| <b><i>Subtotal employee provisions—office holders</i></b> | <b>35,405</b> | <b>47,706</b> |
|---|---------------|---------------|

**Employees other than office holders:**

|                              |               |         |
|------------------------------|---------------|---------|
| Annual leave                 | <b>87,103</b> | 79,507  |
| Long service leave           | -             | 102,037 |
| Separations and redundancies | -             | -       |
| Other                        | -             | -       |

|  |               |                |
|--|---------------|----------------|
| <b><i>Subtotal employee provisions—employees other than office holders</i></b> | <b>87,103</b> | <b>181,544</b> |
|--|---------------|----------------|

|                                  |                |                |
|----------------------------------|----------------|----------------|
| <b>Total employee provisions</b> | <b>122,508</b> | <b>229,250</b> |
|----------------------------------|----------------|----------------|

|             |                |         |
|-------------|----------------|---------|
| Current     | <b>122,508</b> | 170,537 |
| Non Current | -              | 58,713  |

|   |                |                |
|---|----------------|----------------|
| <b><i>Total employee provisions</i></b> | <b>122,508</b> | <b>229,250</b> |
|---|----------------|----------------|

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.



| 2016 | 2015 |
|------|------|
| \$   | \$   |

**Note 9 Equity**

**Note 9A: Funds**

|                                     |                  |           |
|-------------------------------------|------------------|-----------|
| Assets revaluation reserve          |                  |           |
| <b>Balance as at start of year</b>  | <b>282,389</b>   | 282,389   |
| Transferred to reserve              | -                | -         |
| Transferred out of reserve          | -                | -         |
| <b>Balance as at end of year</b>    | <b>282,389</b>   | 282,389   |
| General account / retained earnings |                  |           |
| <b>Balance as at start of year</b>  | <b>1,552,870</b> | 1,649,022 |
| Transferred to reserve              | <b>134,306</b>   | 23,777    |
| Transferred out of reserve          | <b>(16,861)</b>  | (119,929) |
| <b>Balance as at end of year</b>    | <b>1,670,315</b> | 1,552,870 |
| <b>Total Reserves</b>               | <b>1,952,704</b> | 1,835,259 |

**Note 9B: Other Specific disclosures - Funds\***

**Compulsory levy/voluntary contribution fund – if invested in assets**

|                                       |   |   |
|---------------------------------------|---|---|
| <i>[list name of fund or account]</i> | - | - |
|---------------------------------------|---|---|

**Other fund(s) required by rules**

|   |   |   |
|---|---|---|
| <i>[insert name of individual fund and purpose]</i> |   |   |
| <b>Balance as at start of year</b>                  | - | - |
| Transferred to reserve                              | - | - |
| Transferred out of reserve                          | - | - |
| <b>Balance as at end of year</b>                    | - | - |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

|      |      |
|------|------|
| 2016 | 2015 |
| \$   | \$   |

## Note 10 Cash Flow

### Note 10A: Cash Flow Reconciliation

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

##### Cash and cash equivalents as per:

|                     |          |           |
|---------------------|----------|-----------|
| Cash flow statement | 8,38,054 | 1,160,346 |
| Balance sheet       | 8,38,054 | 1,160,346 |
| <b>Difference</b>   | <b>-</b> | <b>-</b>  |

#### Reconciliation of profit/(deficit) to net cash from operating activities:

|                                       |         |           |
|---------------------------------------|---------|-----------|
| Profit/(deficit) for the year         | 134,306 | (119,929) |
| <b>Adjustments for non-cash items</b> |         |           |
| Depreciation/amortisation             | 35,279  | 35,249    |

#### Changes in assets/liabilities

|   |                  |                |
|---|------------------|----------------|
| (Increase)/decrease in net receivables              | (40,707)         | (43,608)       |
| (Increase)/decrease in prepayments                  | (44,754)         | 8,061          |
| Increase/(decrease) in supplier payables            | -                | (765)          |
| Increase/(decrease) in other payables               | (65,286)         | (25,300)       |
| Increase/(decrease) in employee provisions          | (106,741)        | 119,117        |
| Prior year adjustments                              | (16,861)         | 23,777         |
| Website development book value adjustment           | -                | -              |
| <b>Net cash from (used by) operating activities</b> | <b>(104,764)</b> | <b>(3,398)</b> |

#### Note 10B: Cash flow information\*

|                            |                |                |
|----------------------------|----------------|----------------|
| Cash inflows               |                |                |
| AEU Federal Office         | -              | -              |
| <b>Total cash inflows</b>  | <b>-</b>       | <b>-</b>       |
| Cash outflows              |                |                |
| AEU Federal Office         | 176,379        | 163,540        |
| <b>Total cash outflows</b> | <b>176,379</b> | <b>163,540</b> |

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

| 2016 | 2015 |
|------|------|
| \$   | \$   |

**Note 11 Related Party Disclosures**

**Note 11A: Related Party Transactions for the Reporting Period**

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

**Revenue received from AEU – Federal Office includes the following:**

|        |   |   |
|--------|---|---|
| Income | - | - |
|--------|---|---|

**Expenses paid to AEU – ACT Federal Office includes the following:**

|  |         |         |
|--|---------|---------|
| Capitation fees                        | 104,568 | 89,961  |
| Publication levy – Australian Educator | 11,641  | 11,208  |
| TAFE publication levy                  | 711     | 718     |
| ACTU subscriptions                     | 20,001  | 12,569  |
| Education international fund           | 7,369   | 7,352   |
| ACTU campaign fund                     | -       | -       |
| ACTU levy                              | 14,036  | 20,328  |
| International trust fund               | 15,252  | 21,373  |
| Federal campaign                       | 2,801   | 31      |
| Public education campaign              | -       | -       |
| Total expenses                         | 176,379 | 163,540 |

**Loans to members includes the following:**

|                      |        |        |
|----------------------|--------|--------|
| Members welfare loan | 23,968 | 30,964 |
|----------------------|--------|--------|

**Terms and conditions of transactions with related parties**

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

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 yearend 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 2016, the Australian Education Union – ACT Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$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.

The loan provided to members receives a rate of interest of 0% and is repayable in a fortnightly basis.

|             |             |
|-------------|-------------|
| <b>2016</b> | <b>2015</b> |
| \$          | \$          |

**Note 11B: Key Management Personnel Remuneration for the Reporting Period**

**Short-term employee benefits**

|   |                |         |
|---|----------------|---------|
| Salary (including annual leave taken)     | <b>172,319</b> | 252,014 |
| Annual leave accrued                      | <b>(4,418)</b> | 3,050   |
| <b>Total short-term employee benefits</b> | <b>167,901</b> | 255,064 |

**Post-employment benefits:**

|                                       |               |        |
|---------------------------------------|---------------|--------|
| Superannuation                        | <b>32,070</b> | 46,384 |
| <b>Total post-employment benefits</b> | <b>32,070</b> | 46,384 |

**Other long-term benefits:**

|                                       |                |       |
|---------------------------------------|----------------|-------|
| Long-service leave                    | <b>(7,882)</b> | 5,543 |
| <b>Total other long-term benefits</b> | <b>(7,882)</b> | 5,543 |

**Termination benefits**

|              |                |         |
|--------------|----------------|---------|
| <b>Total</b> | <b>192,089</b> | 306,991 |
|--------------|----------------|---------|

**Note 12 Remuneration of Auditors**

**Value of the services provided**

|                                       |               |        |
|---------------------------------------|---------------|--------|
| Financial statement audit services    | <b>12,750</b> | 12,000 |
| Other Services                        | <b>1,750</b>  | 30,000 |
| <b>Total remuneration of auditors</b> | <b>14,500</b> | 42,000 |

Other services in 2015 consist of re-audit of financial statements for the years ended from 2008 to 2013, regarding employment issues uncovered in 2014 audit.

|             |             |
|-------------|-------------|
| <b>2016</b> | <b>2015</b> |
| \$          | \$          |

## Note 13 Financial Instruments

### Note 13A: Categories of Financial Instruments

#### *Financial Assets*

Cash and cash equivalents:

Cash at bank

|                |         |
|----------------|---------|
| <b>838,054</b> | 335,607 |
|----------------|---------|

**Total**

|                |         |
|----------------|---------|
| <b>838,054</b> | 335,607 |
|----------------|---------|

Short term investments:

Bank deposits

|   |         |
|---|---------|
| - | 824,739 |
|---|---------|

**Total**

|   |         |
|---|---------|
| - | 824,739 |
|---|---------|

Receivables:

Trade debtors

|              |        |
|--------------|--------|
| <b>3,572</b> | 35,523 |
|--------------|--------|

**Total**

|              |        |
|--------------|--------|
| <b>3,572</b> | 35,523 |
|--------------|--------|

Loans:

Members welfare loan

|               |        |
|---------------|--------|
| <b>23,968</b> | 30,964 |
|---------------|--------|

**Total**

|               |        |
|---------------|--------|
| <b>23,968</b> | 30,964 |
|---------------|--------|

***Carrying amount of financial assets***

|                |           |
|----------------|-----------|
| <b>865,594</b> | 1,226,833 |
|----------------|-----------|

#### *Financial Liabilities*

Accounts payables:

Trade creditors

|              |        |
|--------------|--------|
| <b>2,193</b> | 16,389 |
|--------------|--------|

**Total**

|              |        |
|--------------|--------|
| <b>2,193</b> | 16,389 |
|--------------|--------|

Other financial liabilities:

Accrued expenses

|               |        |
|---------------|--------|
| <b>13,750</b> | 13,200 |
|---------------|--------|

**Total**

|               |        |
|---------------|--------|
| <b>13,750</b> | 13,200 |
|---------------|--------|

***Carrying amount of financial liabilities***

|               |        |
|---------------|--------|
| <b>15,943</b> | 29,589 |
|---------------|--------|

### Note 13B: Net Income and Expense from Financial Assets

#### **Short term investments**

Interest revenue

|        |        |
|--------|--------|
| 14,139 | 23,108 |
|--------|--------|

**Net gain/(loss) short term investments**

|        |        |
|--------|--------|
| 14,139 | 23,108 |
|--------|--------|

Loans

Interest revenue

|   |   |
|---|---|
| - | - |
|---|---|

**Net gain/(loss) from loans**

|   |   |
|---|---|
| - | - |
|---|---|

**Net gain/(loss) from financial assets**

|        |        |
|--------|--------|
| 14,139 | 23,108 |
|--------|--------|

### Note 13C: Net Income and Expense from Financial Liabilities

The net income/expense from financial liabilities not at fair value from profit and loss is \$0 (2015: \$0).

## Note 13D: Financial Risk Management

### Financial Risk Management Policies

The Council's overall risk management strategy seeks to assist the Australian Education Union - ACT Branch in meeting its financial targets, whilst minimising potential adverse effects on financial performance. Risk management policies are approved and reviewed by the Council on a regular basis. These include credit risk policies and future cash flow requirements.

### Specific Financial Risk Exposures and Management

#### a. Credit Risk

The Australian Education Union - ACT Branch does not have any material credit risk exposure as its major source of revenue is the receipt of member subscriptions and sponsorship income.

#### Credit Risk Exposures

The maximum exposures to credit risk by class of recognised financial assets (net of any provisions) are presented in the Statement of Financial Position.

Trade and other receivables that are neither past due or impaired are considered to be of high credit quality.

Credit risk related to balances with banks and other financial institutions is managed by the finance committee in accordance with approved Council policy.

#### Ageing of financial assets that were past due but not impaired for 2016

|                    | 0 to 30 days | 31 to 60 days | 61 to 90 days | 90+ days   | Total        |
|--------------------|--------------|---------------|---------------|------------|--------------|
|                    | \$           | \$            | \$            | \$         | \$           |
| AEU Federal Office | -            | -             | -             | -          | -            |
| Others             | 2,822        | -             | -             | 750        | 3,572        |
| <b>Total</b>       | <b>2,822</b> | <b>-</b>      | <b>-</b>      | <b>750</b> | <b>3,572</b> |

#### b. Liquidity Risk

Liquidity risk arises from the possibility that the Australian Education Union - ACT Branch might encounter difficulty in setting its debt or otherwise meeting its obligations in relation to financial liabilities. The Australian Education Union - ACT Branch manages the risk through the following mechanisms:

- Preparing forward looking cash flow analysis in relation to its operation, investing and financing activities;
- Maintaining a reputable credit profile;
- Managing credit risk related to financial assets;
- Only investing surplus cash with major financial institutions; and
- Comparing the maturity profile of financial liabilities with the realization profile of financial assets.

## Contractual maturities for financial liabilities 2016

|                 | On Demand | < 1 year<br>\$ | 1– 2<br>years<br>\$ | 2– 5<br>years<br>\$ | >5 years<br>\$ | Total<br>\$ |
|-----------------|-----------|----------------|---------------------|---------------------|----------------|-------------|
| Trade creditors | -         | 15,943         | -                   | -                   | -              | -           |
| <b>Total</b>    | -         | 15,943         | -                   | -                   | -              | -           |

### a. Market Risk

i: Interest rate risk

Reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed assets. Such risks is managed through diversification of investments across asset classes.

li: Price risk

The Australian Education Union - ACT Branch does not have any material price risk.

## Note 14 Fair Value Measurement – Financial Assets and Liabilities

Management of the Australian Education Union - ACT Branch 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 table contains the carrying amounts and related fair values for the Australian Education Union - ACT Branch's financial assets and liabilities:

|                     | Fair Value<br>2016<br>\$ | Fair value<br>2015<br>\$ |
|---------------------|--------------------------|--------------------------|
| Cash at bank        | 838,054                  | 335,607                  |
| Short term deposits | -                        | 824,739                  |
| Trade debtors       | 3,572                    | 35,523                   |
| Loans               | 23,968                   | 30,964                   |
| <b>Total</b>        | <b>865,594</b>           | <b>1,226,833</b>         |
| Accounts payables   | 2,193                    | 16,389                   |
| Others              | 13,750                   | 13,200                   |
| <b>Total</b>        | <b>15,943</b>            | <b>29,589</b>            |

The financial instruments recognised at fair value in the statement of financial position have been analysed and classified using a fair value hierarchy reflecting the significance of the inputs used in making the measurements. The hierarchy consist on the following levels:

### Fair value hierarchy – 31 December 2016

|                                     | Level 1 | Level 2 | Level 3 |
|-------------------------------------|---------|---------|---------|
| Assets measured at fair value       | \$      | \$      | \$      |
| Available for sale financial assets | -       | -       | -       |
| Held to maturity financial assets   | -       | -       | -       |
| <b>Total</b>                        | -       | -       | -       |

### Fair value hierarchy – 31 December 2015

|                                     | Level 1 | Level 2 | Level 3 |
|-------------------------------------|---------|---------|---------|
| Assets measured at fair value       | \$      | \$      | \$      |
| Available for sale financial assets | -       | -       | -       |
| Held to maturity financial assets   | -       | 824,739 | -       |
| <b>Total</b>                        | -       | 824,739 | -       |

- (1) Quoted prices in active markets identical assets or liabilities (level 1);
- (2) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, whether directly (as prices) or indirectly (derived from prices) (level 2);
- (3) Inputs for asset or liability that are not based on observable market data (unobservable inputs) (level 3).

### Note 15: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or 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).