



2 July 2021

Mr Adam Lampe  
Branch Secretary  
Australian Education Union NT Branch

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

Dear Mr Lampe

**Australian Education Union NT Branch**  
**Financial Report for the year ended 31 December 2020 - FR2020/325**

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Australian Education Union NT Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 25 June 2021.

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

Whilst the 2020 report has been filed the following should be addressed in the preparation of the next financial report.

**1. Rotation of registered auditor**

You must rotate your registered auditor

Correspondence was provided to the reporting unit on 8 April 2021 which alerted you that your registered auditor is approaching their statutory limit on how many consecutive financial years they are permitted to audit your financial report. The financial report lodged identifies that Mr Noel Clifford was the reporting unit's registered auditor for this financial year. Our records indicate that you have now used your current registered auditor for five consecutive financial years, which is the statutory limit under section 256A of the *Fair Work (Registered Organisations) Act 2009*.

Please ensure that Mr Noel Clifford is not assigned to audit the financial report of the reporting unit for at least the following two financial years. Further information on the rotation of registered auditor requirement can be found via [this link](#).

## 2. Committee of Management Statement

### Reference to Fair Work Commission

Item (e) (vi) of the committee of management statement incorrectly refers to the “Registered Organisations Commission” instead of the “Fair Work Commission” as specified in section 273 of the *Fair Work (Registered Organisations) Act 2009*.

In future, please ensure that this item refers to the Fair Work Commission.

## 3. General Purpose Financial Report (GPFR)

### Nil disclosures disclosed more than once

The **officer’s declaration statement (ODS)** provides reporting units with an option to disclose nil activities **not** reported elsewhere within the financial report.

Reporting guideline 21 states that if any activity described within items 10-20 of the reporting guidelines has not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes **or** in an ODS. Nil activities should be disclosed only **once**.

I note that the reporting unit’s ODS includes a significant number of items for which there was already a disclosure elsewhere within the GPFR.

In future, please ensure that the ODS is used only to disclose nil items that have not already been disclosed elsewhere within the GPFR.

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)

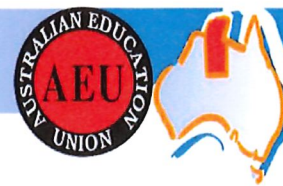
Yours faithfully



**KEN MORGAN**

**Financial Reporting Specialist**

**Registered Organisations Commission**



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**ABN 64 406 978 451**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**ABN 64 406 978 451**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**FINANCIAL REPORT**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
REPORT ON THE AUDIT OF THE FINANCIAL REPORT****Opinion**

I have audited the financial report, of NT Branch of the Australian Education Union ("the Branch"), which comprises the statement of financial position as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2020, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255 (2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the NT Branch of the Australian Education Union as at 31 December 2020 and of its performance and cash flows for the year then ended on that date in accordance with:

- i. Australian Accounting Standards; and
- ii. Any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work Act (Registered Organisations) Act 2009* (the RO Act).

I declare that management's use of the going concern basis in the preparation of the financial statements of the NT Branch of the Australian Education Union is appropriate.

**Basis for Opinion**

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

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

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

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

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

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

**Responsibilities of Committee of Management for the Financial Report**

The committee of management of the Branch is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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



## Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

I communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act. I declare that I am a Registered Company Auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.



Nexia Edwards Marshall NT  
Chartered Accountants



Noel Clifford  
Partner

Dated this 24 May 2020  
Registration number- AA2018/11

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
DESIGNATED OFFICER'S CERTIFICATE  
FOR THE YEAR ENDED 31 DECEMBER 2020**

I, Adam Lampe, being the Secretary of the NT Branch of the Australian Education Union, certify:

- that the documents lodged herewith are copies of the full report for the NT Branch of the Australian Education Union for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 28 May 2021; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 18 June 2021 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:..... A. Lampe .....

**Adam Lampe, Branch Secretary**

Dated: 25.06.2021 .....

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
 REPORT REQUIRED UNDER SUBSECTION 255 (2A)  
 FOR THE YEAR ENDED 31 DECEMBER 2020**

The Committee of Management presents the expenditure report<sup>1</sup> as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2020.

Descriptive form

Categories of expenditures	2020 \$	2019 \$
Remuneration and other employment-related costs and expenses - employees	797,227	755,186
Advertising	7,158	1,160
Operating costs	500,749	547,621
Donations to political parties	-	-
Legal costs	8,906	6,000

Signature of designated officer: ..... *A Lampe* .....

Name and title of designated officer: ..... *Adam Lampe, Branch Secretary* .....

Dated: ..... *6 May 2021* .....

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<sup>1</sup> Subsection 255(2A) provides a discretion to the reporting unit about how to report the required information. It is a matter for the reporting unit to determine whether the required information is presented in diagrammatic form such as, for example, a pie chart or whether it is reported in a descriptive form. Regardless, the reporting unit is only required to report the information in one format.



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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Your committee members present their report on the Branch for the financial year ended 31 December 2020.

**Committee members**

The names of the committee members (the Branch Executive) throughout the year and at the date of this report are:

Jarvis Ryan	Branch President
Adam Lampe	Branch Secretary
Stephen Pelizzo	Vice-President (General)
Delean Holtze	Vice-President (TAFE)
Julie Danvers	Treasurer
Alyson Kavanagh	Women's Officer (Resigned 18/12/20)
Cassandra Brown	Councillor representing Indigenous members
Pepe Millman	Regional Councillor (Resigned 1/02/20)
Ashley Cole	Regional Councillor (Resigned 5/02/20)
Ken Guest	Regional Councillor
Bruce Cameron	Regional Councillor
Michael Pearson	Regional Councillor
Michael Stimpson	Regional Councillor
Rachel Jay	Regional Councillor
Candace Loane	Regional Councillor
Deborah Lamb	Regional Councillor
Melissa Rabar	Regional Councillor
Daniel Yore	Regional Councillor
Michelle Ayers	Regional Councillor
Shanelle Lee	Regional Councillor
Rachael Metcalfe	Regional Councillor
Matthew Guy	Regional Councillor (Commenced 22/10/20)
Gillian Furniss	Regional Councillor (Commenced 20/07/20)

The members served for the entire year except where otherwise specified.

**Principal activities**

The AEU is a professional and industrial organisation, registered under the *Fair Work (Registered Organisations Act) 2009*, representing teachers and education workers in public educational facilities.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

The AEU is a democratic, federated structure, with a Federal Office based in Melbourne and branches in each state and territory in Australia.

The AEU NT Branch has the following objectives:

- To increase Government funding to public education facilities
- To enhance the professional status of AEU NT members in public education
- Protect and promote quality teaching and learning
- Protect and enhance the industrial rights of AEU NT members
- Promote human rights and social justice

The core day-to-day activity of the Branch office continued to be providing support to members with individual issues relating to their employment. However, from mid-March to August, much of the Branch office's activity was focused on issues arising from COVID-19 pandemic.

During 2020 overall member case numbers rose to 303 from 128 in 2019. This is principally attributed to the ease in recording of cases in the Case Management area of the new customer relationship management (CRM) software installed in 2019. During 2018 and 2019, under our previous more manual case recoding processes, those queries or advice pieces that took longer to record than answer were not registered. The CRM allows staff to input key data, queries and our advice as we speak to or email the affected member.

Member queries received in late March and April 2020 tended to be related to COVID-19 and were recorded outside of the CRM. In the first two working weeks of the alert (23 March to 3 April) the Branch Office recorded 90 contacts purely related to COVID-19, many from Sub-Branch Reps with multiple questions on behalf of members. Significant pieces of work, such as assisting members deemed vulnerable on medical advice but denied working from home, were recorded in the CRM.

The breakdown of numbers of cases by category generally followed the pattern of previous years, with Pay and Conditions being once again by far the biggest category at 29%, down from 41% in 2019. This is probably due to the greater number of other category cases recorded, as mentioned above. Grievances declined from 14% of total cases in 2019 to 5%. However, the numbers (14 in 2020, 18 in 2019) show that work in this area remains the same, the percentage change driven by the increase in overall numbers as mention above. Health & Safety cases increased from 2% in 2019 to 9%. The 26 cases in 2020 include queries and interventions in respect of vulnerable workers and school-cleaning matters flowing from COVID-19.

The AEU NT continued to promote the professional interests of members with representation on the Teacher Registration Board and other professional bodies and assert the industrial rights of members through the enforcement of various enterprise agreements, as well as relevant legislation, by-laws and policies. However, industrial issues arising from the COVID-19 pandemic took precedence during the first half of the year, as biosecurity zones were introduced in remote locations across the Northern Territory and the Northern Territory Government insisted that public schools remain open. Senior AEU NT officers met weekly with representatives from the office of the NT Minister for Education, the office of the Commissioner for Public Employment, the office of the Chief Executive of the Department of Education, and the Northern Territory Council of Government School Organisations as part of a School Operations Working Group established to plan for the continued provision of public education during the pandemic.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

The working group's focus included contingency plans for staff and students during full or partial closure of schools, personal action plans for vulnerable staff, extra cleaning provisions for schools and increased funding for well-being support for staff. A significant workload issue arising from the proposed contingency plans for schools was the requirement for teachers to produce additional education resources for students in the event of school closures.

Issues arising from COVID-19 lessened in the second half of the year. The Branch was able to refocus on matters which were agreed to by the employer in the teacher enterprise agreement approved late in 2018, including attempts to increase levels of teacher permanency and a centralised transfer system for school-based teachers.

The Teacher Permanency Project continued to be stymied by the unwillingness of some school principals to engage with the Project. Also, the administrative processes around the Project continued to be cumbersome and opaque. Late in the year, the employer committed to collating a list of fixed-term teachers who had been employed continuously for three years or more and devising a more direct approach to ongoing employment. More success was had in the implementation of an improved teacher transfer system between schools, which occurred in the last quarter of the year.

The mass redundancies threatened at Charles Darwin University toward the end of 2019 were carried out in 2020 resulting in a loss of 77 jobs in VET sector. The effect of these redundancies on AEU NT members was largely mitigated by union representation around the redeployment of members into other suitable positions at the University. No AEU NT member was forced to take a redundancy if they did not want it.

Financial turbulence and staffing issues continued to affect the morale of members at the Batchelor Institute of Indigenous Tertiary Education. Job cuts at the Institute in 2019 exacerbated workload issues in 2020 and negatively affected the management structure. However, as with AEU NT members at CDU, no members were forced to take redundancies. During the latter half of the year, constructive dialogue occurred between the combined unions and the Institute's CEO to determine enterprise agreement arrangements and improved work health and safety structures.

**Results of activities**

One consequence of restricted movement due to the COVID-19 pandemic was the shift from face-to-face meetings to video conferencing. Online meetings eventually proved to be an adequate replacement for short meetings, once members became proficient with the software, but many members found video conferencing to be taxing over long periods. It proved most successful as a platform for regional council meetings, where members separated by long distances were able to engage without their remote geographical locations being an obstacle. As a result, video conferencing for regional meetings may become the preferred method for conducting those meetings.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

The recruitment of union members was necessarily confined to online activities, as school visits were put on hold from mid-March to the end of July. Fortunately, the ability to join online via the new database was streamlined, and membership remained steady throughout the year.

Another consequence of the pandemic was the delay of the Branch's annual conference although fortunately this was able to go ahead in September in Darwin with only minor restrictions. One of the more significant decisions at the conference confirmed an array of changes to the Branch's rules. Most of the rule changes relate to the financial management of the Branch, along with a change to allow for more flexibility for meetings of Branch Conference, including the ability to hold these meetings virtually.

### **Significant changes**

No significant change in the nature of these activities occurred during the year.

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

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

*"17 - Resignation from membership and termination of eligibility*

(1) Subject to sub-rule 17(1A) a member becomes ineligible for membership of the Union when he/she no longer meets the conditions of eligibility for membership of the Union.

(1A) The following persons shall after the date referred to in sub-rule 5(12) be eligible to retain membership of the Union notwithstanding the fact that they are no longer eligible for membership within the conditions of eligibility for membership set out in rule 5:

(a) members who are eligible for membership pursuant to paragraphs 5(3)(a), (b) or (c) and are -

(i) seconded by their employer to non-teaching duties, or

(ii) appointed by the Minister for Education to any Board, Committee or statutory authority;

(b) members who were formerly eligible for membership pursuant to paragraph 5(4)(a), (b) or

(c) and have commenced to be employed elsewhere in the Victorian Education Department or in a technical and further education institution or by the Technical and Further Education Board or are seconded by their employer to perform professional duties requiring teacher qualifications;

(d) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d); provided that persons who are entitled

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.

- (2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.
- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.
- (4) A notice of resignation from membership takes effect:-
- (a) where the member ceases to be eligible to become a member of the Union -
    - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
    - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later;
  - (b) in any other case -
    - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
    - (ii) on the day specified in the notice; whichever is later.
- (5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a year before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- (8) A resignation from membership is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.
- (10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.
- (11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**Membership and employee numbers**

The number of members as of 31 December 2020 was 1889 (the equivalent figure for 2019 was 1834).

The number of full-time equivalent employees of the Branch in 2020 was six, including two elected full-time officers.

**Superannuation trustees**

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

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

**Operating results**

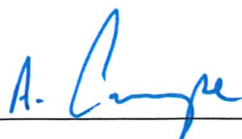
The profit of the Branch is for the financial year after providing for income tax of Nil amounted to \$211,684. During the year, a revaluation and impairment assessment of property resulted in a total decrease in carrying value of \$86,800. The total comprehensive income for the year of the Branch \$124,884.

In the prior year, profit of the Branch for the financial year after providing for income tax of Nil amounted to \$81,708.

**After balance date events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations, or the state of affairs of the Branch in future financial years.

Signed in accordance with a resolution of the Branch Executive:



Adam Lampe – Branch Secretary

6.05.2021

Dated

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**

**COMMITTEE OF MANAGEMENT STATEMENT**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

On 30 April 2021 the Committee of Management of the NT Branch of the Australian Education Union passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2020:

The Committee of Management declares that in its opinion:

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

This declaration is made in accordance with a resolution of the Committee of Management (the Branch Executive).



Adam Lampe – Branch Secretary

6.05.2021

Dated

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2020

	Notes	2020 \$	2019 \$
<b>Revenue from contracts with customers</b>			
Membership subscription		1,416,519	1,364,727
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Interest	3C	9,069	12,510
Other revenue		100,136	9,481
<b>Total revenue from contracts with customers</b>		<b>1,525,724</b>	<b>1,386,718</b>
<b>Income for furthering objectives</b>			
Grants and/or donations	3D	-	-
<b>Total revenue for furthering objectives</b>		<b>-</b>	<b>-</b>
<b>Other income</b>			
Net Gain from sale of assets	3E	-	4,957
Revenue from Recovery of Wages Activity	3F	-	-
<b>Total other income</b>		<b>-</b>	<b>4,957</b>
<b>Total income</b>		<b>1,525,724</b>	<b>1,391,675</b>
<b>Expenses</b>			
Employee expenses	4A	797,227	755,186
Capitation fees and other expenses to another reporting unit	4B	63,891	63,596
Affiliation fees	4C	10,986	11,096
Administration expenses	4D	320,675	365,569
Grants or donations	4E	1,000	2,136
Depreciation and amortisation	4F	48,069	47,909
Finance costs	4G	7,694	6,908
Legal costs	4H	8,906	6,000
Audit fees	14	10,600	9,000
Other expenses	4K	44,992	42,567
<b>Total expenses</b>		<b>1,314,040</b>	<b>1,309,967</b>
<b>Surplus (deficit) for the year</b>		<b>211,684</b>	<b>81,708</b>
<b>Other comprehensive income (loss)</b>			
Loss on revaluation of land & buildings		86,800	-
<b>Total comprehensive income for the year</b>		<b>124,884</b>	<b>81,708</b>

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



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 31 December 2020*

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	845,154	635,966
Trade and other receivables	5B	50,631	6,721
Other current assets	5C	27,212	20,623
<b>Total current assets</b>		<b>922,997</b>	<b>663,310</b>
<b>Non-Current Assets</b>			
Land and buildings	6A	460,000	555,100
Plant and equipment	6B	139,371	154,210
Other investments	6F	10	10
<b>Total non-current assets</b>		<b>599,381</b>	<b>709,320</b>
<b>Total assets</b>		<b>1,522,378</b>	<b>1,372,630</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	28,082	17,396
Other payables	7B	70,218	65,531
Employee provisions	8A	60,074	50,583
Finance lease-current portion	7C	-	-
<b>Total current liabilities</b>		<b>158,374</b>	<b>133,510</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	-	-
Other non-current liabilities	9A	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>158,374</b>	<b>133,510</b>
<b>Net assets</b>		<b>1,364,004</b>	<b>1,239,120</b>
<b>EQUITY</b>			
General funds	10A	-	-
Retained earnings		1,191,193	979,509
Revaluation reserve	10A	172,811	259,611
<b>Total equity</b>		<b>1,364,004</b>	<b>1,239,120</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 31 December 2020*

	Notes	General funds \$	Retained earnings \$	Revaluation reserve	Total equity \$
<b>Balance as at 1 January 2019</b>		-	897,801	259,611	1,157,412
Adjustment for errors		-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-
Surplus / (deficit)		-	81,708	-	81,708
Other comprehensive income		-	-	-	-
Gain on revaluation of land and buildings		-	-	-	-
Transfer to/from [ <i>insert fund name</i> ]	10A	-	-	-	-
Transfer from retained earnings		-	-	-	-
<b>Closing balance as at 31 December 2019</b>		-	<b>979,509</b>	<b>259,611</b>	<b>1,239,120</b>
Adjustment for errors		-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-
Surplus / (deficit)		-	211,684	-	211,684
Other comprehensive income		-	-	(86,800)	(86,800)
Transfer to/from [ <i>insert fund name</i> ]	10A	-	-	-	-
Transfer from retained earnings		-	-	-	-
<b>Closing balance as at 31 December 2020</b>		-	<b>1,191,193</b>	<b>172,811</b>	<b>1,364,004</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 31 December 2020*

	Notes	2020 \$	2019 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	11B	-	-
Receipts		1,414,403	1,363,018
Interest		9,463	12,676
Other		58,342	9,481
		<b>1,482,208</b>	<b>1,385,175</b>
<b>Cash used</b>			
Employees		(790,868)	(768,450)
Suppliers		(393,331)	(440,302)
Payment to other reporting units/controlled entity(s)	11B	(63,891)	(63,596)
<b>Net cash from (used by) operating activities</b>	11A	<b>234,118</b>	<b>112,827</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	6,819
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		(24,930)	(139,448)
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		<b>(24,930)</b>	<b>(132,629)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		-	(15,611)
Interest paid		-	(833)
<b>Net cash from (used by) financing activities</b>		<b>-</b>	<b>(16,444)</b>
<b>Net increase (decrease) in cash held</b>		<b>209,188</b>	<b>(36,246)</b>
Cash & cash equivalents at the beginning of the reporting period		635,966	672,212
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>845,154</b>	<b>635,966</b>

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

## Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
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Note 16	Fair value measurements
Note 17	Administration of financial affairs by a third party
Note 18	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

## **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 the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009 (**RO Act**). For the purpose of preparing the general-purpose financial statements, the NT Branch of the Australian Education Union ("the 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**

The following 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.

The Committee makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

#### *Fair values of investment properties and owner-occupied property*

The Branch measures land and buildings (owner-occupied) at fair value less any accumulated depreciation and accumulated impairment losses. The valuation of land and buildings requires judgement to be applied in selecting appropriate valuation techniques and setting valuation assumptions. The Branch engages an independent registered valuer to value its property. Further detail on the determination of fair values of land and buildings is set out in note 16 B.

### 1.3 Significant accounting judgements and estimates (Continued)

#### *Impairment losses on property and equipment*

The Committee reviews its property and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of comprehensive income, the Committee makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property and equipment. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment. At 31 December 2020, the Committee reviewed the key assumptions made by an independent valuer in their valuation. They have concluded that they are satisfied that the carrying value does not exceed the recoverable amount of land and buildings as at 31 December 2020.

#### *Useful life and residual value of property, plant and equipment*

The Committee reviews the useful life and residual value of the property, plant and equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value is estimated based on the similar assets of the industry, and future economic benefit expectations of the management.

## 1.4 New Australian Accounting Standards

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

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 15 Revenue from Contracts with Customers, which replaces AASB 118 Revenue, and AASB 1058 Income of Not-for-Profit-Entities, which replaces in the income recognition requirements of AASB 1004 Contributions
- AASB 16 Leases and amending standards, which replaces AASB117 Leases.

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

### **Adoption of New Australian Accounting Standards Requirements**

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:

<b>Title of standard</b>	<b>Nature of change</b>	<b>Impact</b>	<b>Mandatory application date/ Date of adoption by Branch</b>
AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities (AASB 1058)	AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued	The Branch has applied AASB 15: Revenue from Contracts with Customers (AASB 15) and AASB 1058: Income of Not-for-Profit Entities(AASB1058) using the cumulative effective method of initially applying AASB15 and AASB1058 as an adjustment to the opening balance of equity at 1 January 2019. Therefore, the comparative information has not been restated and continues to be presented under AASB 118: Revenue and AASB 1004: Contributions. The details of accounting policies under AASB 118 and AASB 1004 are disclosed separately since they are different from those under AASB 15 and AASB 1058.  The adoption of AASB 15 and AASB 1058 Branch has no significant impact on the Branch.	Must be applied for financial years commencing on or after 1 January 2019.

	<p>by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted. AASB 2014-5 incorporates the consequential</p>		
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	<p>amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.</p> <p>AASB 1058 replaces the income recognition requirements in AASB 1004 Contributions that had previously applied to the [reporting unit]. AASB 1058 provides a more comprehensive model for accounting for income of not-for-profit entities and specifies that:</p> <ul style="list-style-type: none"> <li>- the timing of revenue or income recognition will depend on whether a performance obligation is identified or a liability is recognised;</li> <li>- not-for-profit lessees can elect to recognise assets, including leases provided at significantly less than fair value, at their fair value; and</li> <li>- all not-for-profit entities can elect to recognise volunteer services at fair value if</li> </ul>		
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	the fair value of those services can be reliably measured		
AASB 16 Leases	<p>The key features of AASB 16 are as follows:</p> <p>Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk.</p>	The Branch has no existing operating lease contracts, and therefore the implementation of AASB 16 has no significant impact on the Branch.	Must be applied for financial years commencing on or after 1 January 2019.

	<p>AASB 16 supersedes:  (a) AASB 117 Leases  (b) Interpretation 4  Determining whether an Arrangement contains a Lease  (c) SIC-15  Operating Leases—  Incentives  (d) SIC-27  Evaluating the Substance of Transactions Involving the Legal Form of a Lease  The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.</p>		
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## 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.

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of the Branch.

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

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

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.

## 1.5 Revenue (Continued)

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

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

### ***Rental Income***

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

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

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

### **Capitation fees and levies**

For member subscriptions paid annually in advance, the Branch has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less. . In circumstances where the criteria for a contract with a customer are not met, the [reporting unit] will recognise capitation fees as income upon receipt (as specified in the income recognition policy below). In circumstances where the criteria for a contract with a customer are not met, the Branch will recognise capitation fees as income upon receipt.

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

### **Revenue from contracts with customers**

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

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

## 1.6 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 Branch in respect of services provided by employees up to reporting date.

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

Provision is made for separation and redundancy benefit payments. The Branch 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.

## 1.7 Leases

### Branch as Lessee

At inception of a contract, the Branch assess if the contract contains or is a lease. If there is a lease present, a right-of-use asset and a corresponding lease liability is recognised by the Branch where the Branch is a lessee. However all contracts that are classified as short term leases (lease with remaining lease term of 12 months or less) and leases of low value assets are recognised as an operating lease on a straight-line basis over the term of the lease.

Initially the lease liability is measured at the present value of the lease payments still to be paid at commencement date. The lease payments are discounted at the interest rate implicit in the lease. If this rate cannot be readily determined, the Branch uses the incremental borrowing rate.

Lease payments included in the measurement of the lease liability are as follows :

- fixed lease payments less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- lease payments under extension options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The right-of-use assets comprise the initial measurement of the corresponding lease liability as mentioned above, any lease payments made at or before the commencement date as well as any initial direct costs. The subsequent measurement of the right-of-use assets is at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the lease term or useful life of the underlying asset whichever is the shortest. Where a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Branch anticipates to exercise a purchase option, the specific asset is depreciated over the useful life of the underlying asset.

### **Concessionary Leases**

For leases that have significantly below market terms and conditions principally to enable the Branch to further its objectives (commonly known as peppercorn / concessionary leases), the Branch has adopted the temporary relief under AASB 2018-8 and measures the right of use assets at cost on initial recognition.

### **1.8 Borrowing costs**

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

### **1.9 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 6 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 statement of financial position.

## 1.10 Financial instruments

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

### 1.11 Financial asset

#### Contract assets and receivables

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

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

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

#### Initial recognition and measurement

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

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

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

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

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

#### Subsequent measurement

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

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income

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

## **Derecognition**

A financial asset is derecognised when:

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

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

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

## **Offsetting**

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

## **Impairment**

### **Expected credit losses**

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

#### **(i) Trade receivables**

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

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



## (ii) **Debt instruments other than trade receivables**

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

ECLs are recognised in two stages:

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

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

## **1.12 Financial Liabilities**

### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss.

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

The Branch's financial liabilities include trade and other payables.

### **Subsequent measurement**

#### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in AASB 9 are satisfied.

#### **Financial liabilities at amortised cost**

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

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

## **Derecognition**

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

### **1.13 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.

### **1.14 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.

## 1.14 Land, Buildings, Plant and Equipment

### *Depreciation (Continued)*

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

	2020	2019
Buildings	50 years	50 years
Plant and equipment	5 to 6 years	5 to 6 years
Inhouse Software	5 Years	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.

## 1.15 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than 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 Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

## 1.16 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.

## 1.17 Taxation

The Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997. However, it still has obligations for Fringe Benefits Tax (FBT), the Goods and Services Tax (GST) and Payroll Tax.

## 1.17 Taxation (Continued)

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 statement of cash flows 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.

## 1.18 Fair value measurement

The 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 16A.

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

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

The principal or the most advantageous market must be accessible by the 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 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

## **1.18 Fair value measurement (Continued)**

For assets and liabilities that are recognised in the financial statements on a recurring basis, the 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 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.

## **1.19 Going concern**

The Branch has not received and is not reliant on financial support from any other entity to continue on a going concern basis. The Branch has not provided financial support to another entity. The Branch future operations are dependent upon the continued support of its members and the achievement of operating surpluses and positive operating cash flows. At this date of this report Branch has no reason to believe that members support will not be received in the foreseeable future.

## Note 2 Events after the reporting period

As a result of the evolving nature of the COVID-19 outbreak and the rapidly evolving government policies of restrictive measures put in place to contain it, as at the date of these financial statements, the Branch is not in a position to reasonably estimate the financial effects of the COVID-19 outbreak on the future financial performance and financial position of the Branch. Other than the current disclosures, there has not been any other matter or circumstance occurring subsequent to the end of the financial year that has significantly affected, or may significantly affect, the operations of the Branch, the results of those operations, or the state of affairs of the Branch in subsequent financial periods

	2020	2019
	\$	\$

### Note 3 Income

#### Note 3A: Capitation fees and other revenue from another reporting unit

Capitation fees	-	-
<b>Total capitation fees</b>	<b>-</b>	<b>-</b>

#### Note 3B: Levies

Levies	-	-
<b>Total levies</b>	<b>-</b>	<b>-</b>

#### Note 3C: Interest

Deposits	9,069	12,510
Loans	-	-
<b>Total interest</b>	<b>9,069</b>	<b>12,510</b>

#### Note 3D: Grants and/or donations

Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

#### Note 3E: Net gains from sale of assets

Plant and Equipment	-	4,957
<b>Total Net gain from sale of assets</b>	<b>-</b>	<b>4,957</b>

	2020	2019
	\$	\$

**Note 3F: Revenue from recovery of wages activity**

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	<u>-</u>	<u>-</u>

**Note 4 Expenses**

**Note 4A: Employee expenses**

**Holders of office:**

Wages and salaries	260,510	234,095
Superannuation	27,653	26,978
Leave and other entitlements	37,118	46,571
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<u>325,281</u>	<u>307,644</u>

**Employees other than office holders:**

Wages and salaries	401,721	379,854
Superannuation	38,724	37,856
Leave and other entitlements	31,500	29,832
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>471,945</u>	<u>447,542</u>
<b>Total employee expenses</b>	<u>797,227</u>	<u>755,186</u>

**Note 4B: Capitation fees and other expense to another reporting unit**

Australian Education Union- Federal Office	63,891	63,596
<b>Total capitation fees</b>	<u>63,891</u>	<u>63,596</u>

**Note 4C: Affiliation fees**

NT Trades and Labour Council	10,986	11,096
<b>Total affiliation fees/subscriptions</b>	<u>10,986</u>	<u>11,096</u>

	2020	2019
	\$	\$

#### Note 4D: Administration expenses

Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies (AUSEDTAFE/publication levy, ACTU campaign levy)	9,138	7,889
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	96,257	113,456
Committee expenses	14,362	38,253
Contractors/consultants	-	4,918
Property expenses	4,473	6,169
Office expenses	26,080	38,067
Information communications technology	15,708	21,736
Specific project expenses (EBA, GONSKI, etc.)	1,898	11,272
Travel and accommodation	53,684	38,106
Motor Vehicle Expenses	8,951	8,024
AEU Expenses	17,948	26,342
Other	72,176	51,337
<b>Subtotal administration expense</b>	<b>320,675</b>	<b>365,569</b>
Operating lease rentals:		
Minimum lease payments	-	-
<b>Total administration expenses</b>	<b>320,675</b>	<b>365,569</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	1,000	2,136
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>1,000</b>	<b>2,136</b>

#### Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	8,300	8,300
Property, plant and equipment	39,769	39,609
<b>Total depreciation</b>	<b>48,069</b>	<b>47,909</b>
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>48,069</b>	<b>47,909</b>



	2020	2019
	\$	\$
<b>Note 4G: Finance costs</b>		
Interest on Finance leases	-	833
Bank charges/credit card merchant fee	7,694	6,075
Unwinding of discount	-	-
<b>Total finance costs</b>	<b>7,694</b>	<b>6,908</b>

**Note 4H: Legal costs**

Litigation	-	-
Other legal matters	8,906	6,000
<b>Total legal costs</b>	<b>8,906</b>	<b>6,000</b>

**Note 4I: Write-down and impairment of assets**

Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
<b>Total write-down and impairment of assets</b>	<b>-</b>	<b>-</b>

**Note 4J: Net losses from sale of assets**

Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
<b>Total net losses from asset sales</b>	<b>-</b>	<b>-</b>

**Note 4K: Other expenses**

Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-
Payroll Tax	44,992	42,567
<b>Total other expenses</b>	<b>44,992</b>	<b>42,567</b>



	2020	2019
	\$	\$

**Note 6 Non-current Assets**

**Note 6A: Land and buildings**

Land and buildings:		
fair value	460,000	580,000
accumulated depreciation	-	(24,900)
<b>Total land and buildings</b>	<b>460,000</b>	<b>555,100</b>

**Reconciliation of Opening and Closing Balances of Land and Buildings**

<b>As at 1 January</b>		
Gross book value	580,000	580,000
Accumulated depreciation and impairment	(24,900)	(16,600)
<b>Net book value 1 January</b>	<b>555,100</b>	<b>563,400</b>
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	(86,800)	-
Impairments	-	-
Depreciation expense	(8,300)	(8,300)
Other movement [give details below]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
<b>Net book value 31 December</b>	<b>460,000</b>	<b>555,100</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	460,000	580,000
Accumulated depreciation and impairment	-	(24,900)
<b>Net book value 31 December</b>	<b>460,000</b>	<b>555,100</b>

[Fair value disclosures required for land and buildings remeasured to fair value]

The property located at Unit 3 (8) Totem Road Coconut Grove NT 0810, was revalued by an independent valuer, Emma Jackson, AAPI, MBus (Prop), Certified Practising Valuer of Valuations NT, as at 10 November 2020. The valuation of the Property is based on the market value assessment of each identifiable property. The revalued land and buildings consist of land valued at \$130,000 and building valued at \$330,000. Management determined that the revalued land and buildings consists of one asset class under AASB 13, based on the nature, characteristics and risks of the property. Also, refer to note 16 B.

	2020	2019
	\$	\$
<b>Note 6B: Plant and equipment</b>		
Plant and equipment:		
at cost	456,379	431,449
accumulated depreciation	(317,008)	(277,239)
<b>Total plant and equipment</b>	<b>139,371</b>	<b>154,210</b>

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

<b>As at 1 January</b>		
Gross book value	431,449	323,176
Accumulated depreciation and impairment	(277,239)	(266,943)
<b>Net book value 1 January</b>	<b>154,210</b>	<b>56,233</b>
Additions:		
By purchase	24,930	139,448
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(39,769)	(39,609)
Other movement	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	(1,862)
<b>Net book value 31 December</b>	<b>139,371</b>	<b>154,210</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	456,379	431,449
Accumulated depreciation and impairment	(317,008)	(277,239)
<b>Net book value 31 December</b>	<b>139,371</b>	<b>154,210</b>

	2020	2019
	\$	\$
<b>Note 6F: Other Investments</b>		
Deposits	-	-
Other	10	10
<b>Total other investments</b>	<u>10</u>	<u>10</u>

**Note 6G: Other Non-current Assets**

Prepayments	-	-
Other	-	-
<b>Total other non-financial assets</b>	<u>-</u>	<u>-</u>

**Note 7 Current Liabilities**

**Note 7A: Trade payables**

Trade creditors and accruals	28,082	17,396
Operating lease rentals	-	-
<b>Subtotal trade creditors</b>	<u>28,082</u>	<u>17,396</u>
<b>Payables to other reporting unit</b>	-	-
<b>Subtotal payables to other reporting unit</b>	<u>-</u>	<u>-</u>
<b>Total trade payables</b>	<u>28,082</u>	<u>17,396</u>

Settlement is usually made within 30 days.

	2020 \$	2019 \$
<b>Note 7B: Other payables</b>		
Superannuation	5,451	4,209
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	32,451	30,214
PAYG Withholding Payable	21,252	31,076
Other	14,162	8,580
FBT Instalments Paid	(3,098)	(8,548)
<b>Total other payables</b>	<u>70,218</u>	<u>65,531</u>

Total other payables are expected to be settled in:

No more than 12 months	70,218	65,531
More than 12 months	-	-
<b>Total other payables</b>	<u>70,218</u>	<u>65,531</u>

#### Note 7C: Finance lease liability

Current portion of finance lease	-	-
<b>Total other non-current liabilities</b>	<u>-</u>	<u>-</u>

#### Note 8 Provisions

##### Note 8A: Employee Provisions

###### Office Holders:

Annual leave	36,044	26,750
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

<b>Subtotal employee provisions—office holders</b>	<u>36,044</u>	<u>26,750</u>
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###### Employees other than office holders:

Annual leave	24,030	23,833
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

<b>Subtotal employee provisions—employees other than office holders</b>	<u>24,030</u>	<u>23,833</u>
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<b>Total employee provisions</b>	<u>60,074</u>	<u>50,583</u>
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Current	60,074	50,583
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Non-Current	-	-
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<b>Total employee provisions</b>	<u>60,074</u>	<u>50,583</u>
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	2020 \$	2019 \$
<b>Note 9      Non-current Liabilities</b>		
<b>Note 9A: Finance lease liability</b>		
Non-current portion of finance lease	-	-
<b>Total other non-current liabilities</b>	-	-
<b>Note 10      Equity</b>		
<b>Note 10A: Funds</b>		
<b>General Fund</b>		
<b>Balance as at start of year</b>	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
<b>Balance as at end of year</b>	-	-
<b>Revaluation Reserve</b>		
<b>Balance as at start of year</b>	259,611	259,611
Transferred to reserve	-	-
Transferred out of reserve	(86,800)	-
<b>Balance as at end of year</b>	172,811	259,611
<b>Total Reserves</b>	172,811	259,611
<b>Note 10B: Other Specific disclosures - funds</b>		
<b>Compulsory levy/voluntary contribution fund – if invested in assets</b>		
<i>[list name of fund or account]</i>	-	-
<b>Other fund(s) required by rules</b>		
<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>	-	-

	2020	2019
	\$	\$

**Note 11 Cash Flow**

**Note 11A: 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	845,154	635,966
Balance sheet	845,154	635,966
<b>Difference</b>	<u>-</u>	<u>-</u>

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

Profit/(deficit) for the year	211,684	81,708
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**Adjustments for non-cash items**

Depreciation/amortisation	48,069	47,909
Interest in finance lease	-	833
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	(4,957)

**Changes in assets/liabilities**

(Increase)/decrease in net receivables	(43,910)	(1,709)
(Increase)/decrease in other current assets	(6,589)	(9,884)
Increase/(decrease) in supplier payables	10,686	7,197
Increase/(decrease) in other payables	4,687	4,994
Increase/(decrease) in employee provisions	9,491	(13,264)
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<u>234,118</u>	<u>112,827</u>

**Note 11B: Cash flow information**

Cash inflows

*[list each reporting unit/controlled entity]*

<b>Total cash inflows</b>	<u>-</u>	<u>-</u>
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Cash outflows

AEU- Federal Office

<b>Total cash outflows</b>	<u>63,891</u>	<u>63,596</u>
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<b>2020</b>	<b>2019</b>
\$	\$

## Note 12      **Contingent Liabilities, Assets and Commitments**

### Note 12A: Commitments and Contingencies

#### **Operating lease commitments—as lessee**

The non-cancellable operating lease commitments as at 31 December 2020 \$70,105 for the purchase of Motor Vehicle Toyota Prado. *(31 December 2019: Nil)*

#### **Operating lease commitments—as lessor**

The Branch is not entered any non-cancellable operating lease commitments as at 31 December 2020 *(31 December 2019: Nil)*

#### **Capital commitments**

At 31 December 2020 the Branch has no capital commitments *(31 December 2019: Nil)*.

#### **Finance lease commitments—as lessee**

Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
<b>Total minimum lease payments</b>	-	-
Less amounts representing finance charges and GST	-	-
<b>Present value of minimum lease payments</b>	-	-
Included in the financial statements as:	-	-
Current interest-bearing loans and borrowings	-	-
Non-current interest-bearing loans and borrowings	-	-
<b>Total included in interest-bearing loans and borrowings</b>	-	-

	2020	2019
	\$	\$
<b>Note 12A: Commitments and Contingencies (continued)</b>		
<b>Finance leases—lessor</b>		
Minimum lease payments	-	-
Unguaranteed residual value	-	-
Gross investment	-	-
Unearned finance income	-	-
<b>Net investment (present value of the minimum lease payments)</b>	<b>-</b>	<b>-</b>
Gross amount of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
<b>Total gross amount of minimum lease payments</b>	<b>-</b>	<b>-</b>
Present value of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
<b>Total present value of minimum lease payments</b>	<b>-</b>	<b>-</b>

**Other contingent assets or liabilities (i.e. legal claims)**

Management has confirmed that there were no contingent assets or liabilities as at 31 December 2020 (31 December 2019: Nil)

2020	2019
\$	\$

## Note 13 Related Party Disclosures

### Note 13A: Related Party Transactions for the Reporting Period

The Branch has not entered related party transactions other than key management remuneration as disclosed below.

### Note 13B: Key Management Personnel Remuneration for the Reporting Period

#### Short-term employee benefits

Salary (including annual leave taken)	297,628	280,666
Annual leave accrued	42,956	26,750
Superannuation	27,653	26,978
Performance bonus	-	-
<b>Total short-term employee benefits</b>	<b>368,237</b>	<b>334,394</b>

#### Post-employment benefits:

Superannuation	-	-
<b>Total post-employment benefits</b>	<b>-</b>	<b>-</b>

#### Other long-term benefits:

Long-service leave	-	-
<b>Total other long-term benefits</b>	<b>-</b>	<b>-</b>

#### Termination benefits

	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

There were no transactions (other than as disclosed above) during the year ended 31 December 2020 (2019: Nil).

## Note 14 Remuneration of Auditors

#### Value of the services provided

Financial statement audit services	10,600	9,000
Other services	-	-
<b>Total remuneration of auditors</b>	<b>10,600</b>	<b>9,000</b>

No other services were provided by the auditors of the financial statements.

	2020	2019
	\$	\$
<b>Note 15</b>		
<b>Financial Instruments</b>		

### Note 15A: Categories of Financial Instruments

#### *Financial Assets*

Available-for-sale assets: fair value		
Investment in shares fair value	10	10
<b>Total</b>	<b>10</b>	<b>10</b>
Loans and receivables:		
Cash and Bank	845,154	635,966
Trade Debtors	50,631	6,721
Accrued interest receivable	2,752	3,146
<b>Total</b>	<b>898,537</b>	<b>645,833</b>
 <b>Carrying amount of financial assets</b>	 <b>898,547</b>	 <b>645,843</b>

#### *Financial Liabilities*

Fair value through profit or loss:		
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Other financial liabilities:		
Accounts payable and other payables	98,300	82,927
Finance lease payable	-	-
<b>Total</b>	<b>98,300</b>	<b>82,927</b>
 <b>Carrying amount of financial liabilities</b>	 <b>98,300</b>	 <b>82,927</b>

	2020	2019
	\$	\$
<b>Note 15B: Net Income and Expense from Financial Assets</b>		
<b>Loans and receivables</b>		
Interest revenue	9,069	12,510
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) from loans and receivables</b>	<b>9,069</b>	<b>12,510</b>
<b>Net gain/(loss) at fair value through profit and loss</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) from financial assets</b>	<b>9,069</b>	<b>12,510</b>

**Note 15C: Net Income and Expense from Financial Liabilities**

<b>At amortised cost</b>		
Interest expense	-	833
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	<b>-</b>	<b>833</b>
<b>Net gain/(loss) from financial liabilities</b>	<b>-</b>	<b>833</b>

**Note 15D: Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the registered organisation. The registered organisation does not have any material risk exposures as its major source of revenue is the receipt of membership fees. As at 31 December 2020 there were only \$8,837 outstanding trade receivables (2019: 6,721).

**Note 15E: Liquidity Risk**

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing surplus cash with major financial institutions

**Note 15E: Liquidity Risk (Continued)**

**Contractual maturities for financial liabilities 2020**

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade & other payables	-	98,300	-	-	-	98,300
Finance lease payables	-	-	-	-	-	-
<b>Total</b>	-	<b>98,300</b>	-	-	-	<b>98,300</b>

**Contractual maturities for financial liabilities 2019**

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Trade & other payables	-	82,927	-	-	-	82,927
Finance lease payables	-	-	-	-	-	-
<b>Total</b>	-	<b>82,927</b>	-	-	-	<b>82,927</b>

**Note 15F: Market Risk**

[Market risks generally include interest rate risk, price risk, and currency risk—insert discussion market risks which the entity is exposed to]

*Interest rate risk*

The Branch does not account for any fixed rate financial assets and financial liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss:

<b>Fixed rate instruments</b>	<b>2020</b>	<b>2019</b>
	\$	\$
Financial assets	-	-
Financial liabilities	-	-

*Price risk*

The Branch is not exposed to price risk.

*Currency risk*

The Branch is not exposed to currency risk.

<b>2020</b>	<b>2019</b>
\$	\$

**Note 15G: Asset Pledged/or Held as Collateral**

**Assets pledged as collateral**

**Financial assets pledged as collateral:**

Motor vehicle- WDV	-	-
<b>Total assets pledged as collateral</b>	-	-

## Note 16 Fair Value Measurement

### Note 16A: Financial Assets and Liabilities

Management of the 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 methods and assumptions were used to estimate the fair values:

- Fair values of the Branch interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2020 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Branch based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2020 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
<b>Financial Assets</b>				
Cash and Bank	845,154	845,154	635,966	635,966
Other Trade receivables	50,631	50,631	6,721	6,721
Other Current Assets	2,752	2,752	3,146	3,146
Available for sale asset	10	10	10	10
<b>Total</b>	<b>898,547</b>	<b>898,547</b>	<b>645,843</b>	<b>645,843</b>
<b>Financial Liabilities</b>				
Trade and other payables	98,300	98,300	82,927	82,927
Finance lease liability	-	-	-	-
<b>Total</b>	<b>98,300</b>	<b>98,300</b>	<b>82,927</b>	<b>82,927</b>

## Note 16B: Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

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

### Fair value hierarchy – 31 December 2020

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>				
		\$	\$	\$
Land and building	2020	-	460,000	-
Investment in shares	2014	-	10	-
<b>Total</b>		-	460,010	-
<b>Liabilities measured at fair value</b>				
Nil		-	-	-
<b>Total</b>		-	-	-

### Fair value hierarchy – 31 December 2019

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>				
		\$	\$	\$
Land and building	2017	-	555,100	-
Investment in shares	2014	-	10	-
<b>Total</b>		-	555,110	-
<b>Liabilities measured at fair value</b>				
Nil				
<b>Total</b>				



	2020	2019
	\$	\$

**Note 17 Administration of financial affairs by a third party<sup>2</sup>**

**Name of entity providing service:**

**Terms and conditions:**

**Nature of expenses/consultancy service:**

**Detailed breakdown of revenues collected and/or expenses incurred**

**Revenue**

Membership subscription	-	-
Capitation fees	-	-
Levies	-	-
Interest	-	-
Rental revenue	-	-
Other revenue	-	-
Grants and/or donations	-	-

**Total revenue**

	-	-
	-	-

**Expenses**

Employee expense	-	-
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Administration expenses	-	-
Grants or donations	-	-
Finance costs	-	-
Legal costs	-	-
Audit fees	-	-
Penalties - via RO Act or <i>Fair Work Act 2009</i>	-	-
Other expenses	-	-

**Total expenses**

	-	-
	-	-

**Note 18      Section 272 Fair Work (Registered Organisations) Act 2009**

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

Information to be provided to members or Commissioner:

- (1) A member of a Branch, or the Commissioner, may apply to the Branch for specified prescribed information in relation to the Branch 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 Branch.
- (3) A Branch must comply with an application made under subsection (1).

## NT BRANCH OF THE AUSTRALIAN EDUCATION UNION OFFICER DECLARATION STATEMENT

I, Adam Lampe, being the Branch Secretary of the Australian Education Union, Northern Territory Branch, declare that the following activities did not occur during the reporting period ended 31 December 2020.

The reporting unit did not:

*(Note: delete items that appear elsewhere in the audited report)*

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

- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer: ..... *A. Lampe* .....

Dated: ..... *6 May 2021* .....

Signed by the officer:

Dated: