



28 June 2021

Ms Angela Burroughs
Branch President
Australian Education Union ACT Branch

By e-mail: aeuact@aeuact.org.au

Dear Ms Burroughs

Australian Education Union ACT Branch
Financial Report for the year ended 31 December 2020 - FR2020/328

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Australian Education Union ACT Branch (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 24 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 Phillip Miller 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 Phillip Miller 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. General Purpose Financial Report (GPFR)

Reporting guideline activities – not disclosed

Item 21 of the reporting guidelines 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 GPFR or in an officer's declaration statement.

The notes/officer's declaration statement contained nil activity information for all prescribed reporting guideline categories except item 16(b)(ii) - have a payable in respect of legal costs relating to other legal matters.

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

Yours faithfully



KEN MORGAN
Financial Reporting Specialist
Registered Organisations Commission

Australian Education Union ACT Branch

ABN 98 106 001 142

Financial Statements

For the Year Ended 31 December 2020

Australian Education Union – ACT Branch
ABN 98 106 001 142

Financial Statements for the year ended 31 December 2020

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Independent Audit Report to the Members of Australian Education Union ACT Branch

Report on the Audit of the Financial Report

Opinion

I have audited the financial report of Australian Education Union ACT Branch (the Registration Organisation), which comprises the statement of financial position as at 31 December 2020, the statement of profit and 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 of Australian Education Union ACT Branch is in accordance with:

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

I declare that management's use of the going concern basis in the preparation of the financial statements of the reporting unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with 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 reporting unit in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (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 my 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.

canberra. adelaide. brisbane. gold coast. melbourne. sydney

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Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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 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 reporting unit's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If 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 report 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 reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit 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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. I did not locate any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. Therefore, my opinion on the financial report is not modified.

Vincent's Audit Pty Ltd

**Phillip W Miller CA
Director**

Canberra

Dated this *25th May 2021*

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/24

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s.268 Fair Work (Registered Organisations) Act 2009

Certificate by prescribed designated officer

Certificate for the year ended 31 December 2020

I, Angela Burroughs, being Branch President of the Australian Education Union ACT Branch certify:

- that the documents lodged herewith are copies of the full report for the Australian Education Union ACT Branch for the period ended 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 25 May ;
and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 23 June in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of designated officer: 

Name and title of designated officer: Angela Burroughs, Branch President

Dated: 24 June 2021

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Report required under subsection 255(2A)

for the year ended 31 December 2020

The committee of management presents the expenditure report 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	2,050,540	1,785,952
Advertising	Nil	Nil
Operating costs	778,475	792,876
Donations to political parties	Nil	Nil
Legal costs	11,534	13,429

Signature of designated officer: _____



Name and title of designated officer: Angela Burroughs, Branch President

Dated: 24 May 2021

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OPERATING REPORT

For the year ended 31 December 2020

The Committee presents its report on the reporting unit for the financial year ended 31 December 2020.

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

Principal Activities

During the year, the principal continuing activities of the union were to obtain and secure for its members the best possible conditions and proper and sufficient remuneration and to guard them against hardship, oppression or injustice in connection with their employment. Additionally, the union fosters, protects and promotes the interests of government and public education, including kindergarten and preschool education, infants and primary education, secondary education, and technical and further education.

Results of the Principal Activities

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

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

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

Significant changes in the nature of the principal activities

This year the major change in the undertaking of our principal activities was the move to online organising due to COVID-19 restrictions, and the cancellation of numerous face-to-face activities, including events.

Financial Operating Result

The operating surplus of the union amounted to \$369,614. The figure represents a true and fair view of the results achieved during the reporting period.

Non-Financial Operating Result

1. In 2020 there was no enterprise bargaining, but numerous negotiations over government policy occurred. A major piece of work was negotiating arrangements to continue education in the context of a localised or broad pandemic, and agreement was reached on a plan for schools going forward.

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OPERATING REPORT

2. On the national stage, the ACT Branch participated actively in national campaigns. Also federally, the AEU participated in the review of national architecture, the review of the Literacy and Numeracy Test for Initial Teacher Education Students (LANTITE), and made submissions regarding the online formative assessment initiative and the Commonwealth work in school violence.
3. The Branch worked with the Minister and Directorate to achieve a number of positive outcomes related to teacher professionalism.
4. Representatives of the Branch sat on a number of consultative committees with employers and government in 2020.
5. A number of online events were held, and the Branch embarked on an enhanced online training program for delegates and sub-branches.
6. Members were supported at their worksites throughout the year regarding individual and collective issues.
7. There were no major changes to the office structure in 2020, however there was the addition of a second industrial support officer and the Communications Officer now reports to the Branch Secretary rather than sitting within the administrative team.
8. In April 2020, the Branch farewelled its senior industrial officer, Jacqui Agius who resigned to take up the position of Work Health and Safety Commissioner for the ACT.
9. In 2020, the Branch maintained a strong presence on Facebook, growing our follower base, using it to share news and opinions, promote events, support petitions, celebrate achievements and successes and build a community of shared commitment to public education.
10. All Branch Executive members including Senior Officers and AEU staff with financial duties have received or are receiving approved financial/governance training.
11. Our New Educator Conference was held in Canberra on 5 and 6 March, but our Fitzroy Falls Industrial Retreat and Public Education Celebratory Dinner could not take place due to COVID restrictions.
12. In 2020, former ACT Branch Secretary Clive Haggar continued working on a history of our branch in the leadup to its 50th anniversary.

Significant changes in financial affairs

In the opinion of the committee members there were only minor changes in the financial affairs that occurred during the 2021 financial year under review, providing a balance between long-term deposits and investment portfolio management at a moderate risk level.

Right of members to resign.

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

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

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

No officers or members were a director of a company that is a superannuation fund trustee.

Number of members

The number of persons that were at the end of the financial year recorded in the register of members for sec. 230 of the Fair Work (Registered Organisations) Act 2009 and who are taken to be members of the Branch under sec. 244 of the Fair Work (Registered Organisations) Act 2009 was 4,216.

Number of employees

12.8 full-time equivalent employees were employed by the ACT Branch during the 2020 financial reporting period.

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

Glenn Fowler
Branch Secretary
From 1 January 2020 to 31 December 2020
Occupation: Branch Secretary

Angela Burroughs
Branch President
From 1 January 2020 to 31 December 2020
Occupation: Teacher

Roger Amey
Branch Vice President
From 1 January 2020 – 31 December 2020
Occupation: Teacher

Sarah Warren
Branch Vice President
1 January 2020 – 31 December 2020
Occupation: Teacher

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Karen Noble
TAFE Vice President
From 1 January 2020 – 31 December 2020
Occupation: Teacher

Tahlia Bruce
General Membership Representative
From 1 January 2020 – 5 February 2020
Occupation: Teacher

Peter Curtis
General Membership Representative
From 1 January 2020 – 31 December 2020
Occupation: Teacher

Benjamin Godwin
General Membership Representative
From 1 January 2020 – 11 March 2020
Occupation: Teacher

Cherie Connors
General Membership Representative
From 11 March 2020 – 31 December 2020
Occupation: Teacher

Katie Slater
General Membership Representative
From 1 January 2020 – 31 December 2020
Occupation: Teacher

Holly Godfree
General Membership Representative
From 1 January 2020 – 31 December 2020
Occupation: Teacher

Karl-Erik Paasonen
General Membership Representative
From 1 January 2020 – 31 December 2020
Occupation: Teacher

Ninetta McCauley
School Assistant Alternate Representative
From 11 March 2020 – 31 December 2020
Occupation: School Assistant

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Trina Cleary
General Membership Representative
From 1 January 2020 – 31 December 2020
Occupation: Teacher

Murray Chisholm
General Membership Representative
From 01 January 2020 – 31 December 2020
Occupation: Teacher

Corina Murphy
TAFE Alternate Representative
From 1 January 2020 – 9 December 2020
Occupation: Teacher

Tim Dobson
School Assistant Representative
From 11 March 2020 – 31 December 2020
Occupation: School Assistant

Sarah Veitch
General Membership Representative
From 11 March 2020 – 31 December 2020
Occupation: Teacher

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

There were three new branches or divisions established and one branch ceased to operate in 2020.

Signature of designated officer:  _____

Name and title of designated officer: Angela Burroughs, Branch President

Dated: 24 May 2021

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Committee of management statement

for the year ended 31 December 2020

On 24 May 2021 the Committee of management 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 the Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

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

Signature of designated officer: 

Name and title of designated officer: Angela Burroughs, Branch President

Dated: 24 May 2021

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Statement of comprehensive income
for the year ended 31 December 2020

	Notes	2020 \$	2019 \$
Revenue			
Membership subscription		3,061,549	2,662,273
Capitation fees and other revenue from another reporting unit	3A	-	-
Levies	3B	-	-
Investment income	3C	21,667	16,499
Rental revenue	3D	45,334	44,576
Other revenue	3F	120,013	87,405
Total revenue		3,248,563	2,810,753
Other Income			
Grants and/or donations	3E	-	-
Net gains from sale of assets	3G	1,236	-
Revenue from recovery of wages activity	3H	-	-
Total other income		1,236	
Total income		3,249,799	2,810,753
Expenses			
Employee expenses	4A	(2,050,540)	(1,785,952)
Capitation fees and other expense to another reporting unit*	4B	(121,202)	(114,714)
Affiliation fees	4C	(50,467)	(46,549)
Administration expenses	4D	(454,947)	(492,641)
Grants or donations	4E	(19,400)	(1,500)
Depreciation and amortisation	4F	(39,636)	(46,181)
Finance costs	4G	(5,243)	(5,228)
Legal costs	4H	(11,534)	(13,429)
Audit fees	13	(15,225)	(15,420)
Bad debts		-	-
Other expenses	4I	(111,991)	(116,824)
Total expenses		(2,880,185)	(2,638,438)
Surplus (deficit) for the year		369,614	172,315
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss		-	-
Gain/(loss) on available for sale investments		-	-
Gain/(loss) on debt instruments at fair value through other comprehensive income (FVTOCI)		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Gain/(loss) on revaluation of land & buildings		-	-
Gain/(loss) on equity instruments designated at FVTOCI		-	-
Total comprehensive income for the year		369,614	172,315

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

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Statement of financial position

as at 31 December 2020

	Notes	2020 \$	2019 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	1,221,837	662,185
Trade and other receivables	5B	12,544	28,773
Other current assets	5C	47,879	106,896
Inventory	5D	4,883	-
Total current assets		1,287,143	797,854
Non-current Assets			
Land and buildings	6A	1,353,023	1,373,682
Plant and equipment	6B	39,454	23,408
Other non-current assets	6C	454,352	437,101
Total non-current assets		1,846,829	1,834,191
Total assets		3,133,972	2,632,045
LIABILITIES			
Current Liabilities			
Trade payables	7A	12,619	10,229
Other payables	7B	165,566	142,934
Employee provisions	8A	235,400	214,930
Total current liabilities		413,585	368,093
Non-current Liabilities			
Employee provisions	8A	131,263	50,386
Total non-current liabilities		131,263	50,386
Total liabilities		544,848	418,479
Net assets		2,589,124	2,213,566
EQUITY			
General funds	9A	410,031	404,087
Retained earnings		2,179,093	1,809,479
Total equity		2,589,124	2,213,566

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

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Statement of changes in equity
for the year ended 31 December 2020

	Notes	General funds /reserves \$	Retained earnings \$	Total equity \$
Balance as at 1 January 2019		371,312	1,637,164	2,008,476
Surplus for the year		-	172,315	172,315
Transfer to/from revaluation reserve	9A	32,775	-	32,775
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2019		404,087	1,809,479	2,213,566
Surplus for the year		-	369,614	369,614
Transfer to/from revaluation reserve	9A	5,944	-	5,944
Transfer from retained earnings		-	-	-
Closing balance as at 31 December 2020		410,031	2,179,093	2,589,124

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

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Statement of cash flows

for the year ended 31 December 2020

	2020	2019
	\$	\$
Notes		
OPERATING ACTIVITIES		
Cash received		
Receipts from other reporting units/controlled entity(s)	3,615,878	3,038,841
Cash used		
Employees	(2,050,540)	(1,785,952)
Suppliers	(850,696)	(942,792)
Payment to other reporting units/controlled entity(s)	10B (121,201)	(114,713)
Net cash from (used by) operating activities	10A <u>593,441</u>	<u>195,384</u>
INVESTING ACTIVITIES		
Cash received		
Proceeds from sale of plant and equipment	1,970	-
Cash used		
Purchase of plant and equipment	(35,759)	(10,322)
Net cash from (used by) investing activities	<u>(33,789)</u>	<u>(10,322)</u>
FINANCING ACTIVITIES		
Cash received		
Contributed equity	-	-
Cash used		
Repayment of borrowings	-	-
Net cash from (used by) financing activities	<u>-</u>	<u>-</u>
Net increase (decrease) in cash held	559,652	185,062
Cash & cash equivalents at the beginning of the reporting period	662,185	477,123
Cash & cash equivalents at the end of the reporting period	5A <u>1,221,837</u>	<u>662,185</u>

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

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Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

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.

Accounting estimates – Impairment of Assets

The Registered Organisation assesses impairment at the end of each reporting period by evaluating conditions specific to the Registered Organisation that may be indicative of impairment triggers. Recoverable amounts of relevant assets are reassessed using value-in-use calculations which incorporate various key assumptions.

Accounting estimates – Provisions

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

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The reporting unit has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the reporting unit's financial statements.

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on Australian Education Union ACT Branch include:

**AASB 2020-1 – Amendments to Australian Accounting Standards –
Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted

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

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

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.6 Current versus non-current classification

The Australian Education Union ACT Branch presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Australian Education Union ACT Branch classifies all other liabilities as non-current.

1.7 Revenue

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

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

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1. Summary of significant accounting policies (continued)

1.7 Revenue (continued)

Revenue from contracts with customers

Where the Australian Education Union ACT Branch has a contract with a customer, the Australian Education Union ACT Branch recognises revenue when or as it transfers control of goods or services to the customer. The Australian Education Union ACT 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.

Membership subscriptions

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

The Australian Education Union ACT 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 Australian Education Union ACT Branch's promise to stand ready to provide assistance and support to the member as required.

When a member subsequently purchases additional goods or services from the Australian Education Union ACT Branch at their standalone selling price, the Australian Education Union ACT Branch accounts for those sales as a separate contract with a customer.

Gains from 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.

Interest income

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

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1. Summary of significant accounting policies (continued)

1.7 Revenue (continued)

Rental income

Leases in which the Australian Education Union ACT 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.

1.8 Capitation fees and levies

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

1.9 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 Australian Education Union ACT Branch in respect of services provided by employees up to reporting date.

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.9 Employee benefits (continued)

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 Australian Education Union ACT 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.

1.10 Leases

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

Australian Education Union ACT Branch as a lessee

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

Leases of low-value assets

The Australian Education Union ACT Branch applies the lease of low-value assets recognition exemption to the lease of a copier machine. Lease payments on leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.11 Borrowing costs

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

1.12 Financial instruments

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

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1. Summary of significant accounting policies (continued)

1.13 Cash

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

1.14 Financial assets

Contract assets and receivables

A contract asset is recognised when the Australian Education Union ACT Branch's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the Australian Education Union ACT 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 Australian Education Union ACT Branch business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Australian Education Union ACT 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 Australian Education Union ACT Branch 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.

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.14 Financial assets (continued)

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 Australian Education Union ACT 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

Financial assets at amortised cost

The Australian Education Union ACT Branch measures financial assets at amortised cost if both of the following conditions are met:

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

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

The Australian Education Union ACT Branch financial assets at amortised cost includes trade receivables and loans to related parties.

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.14 Financial assets (continued)

Financial assets at fair value through other comprehensive income

The Australian Education Union ACT Branch measures debt instruments at fair value through OCI if both of the following conditions are met:

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

For debt instruments at fair value through OCI, interest income, foreign exchange revaluation and impairment losses or reversals are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost.

The remaining fair value changes are recognised in OCI. Upon derecognition, the cumulative fair value change recognised in OCI is recycled to profit or loss.

The Australian Education Union ACT Branch debt instruments at fair value through OCI includes investments in quoted debt instruments included under other non-current financial assets.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Australian Education Union ACT 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 Australian Education Union ACT Branch has transferred substantially all the risks and rewards of the asset, or
 - b) the Australian Education Union ACT Branch has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.14 Financial assets (continued)

When the Australian Education Union ACT 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 Australian Education Union ACT 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 Australian Education Union ACT 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 Australian Education Union ACT Branch does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Australian Education Union ACT 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.

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.14 Financial assets (continued)

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 Australian Education Union ACT 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 Australian Education Union ACT 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 Australian Education Union ACT Branch considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Australian Education Union ACT Branch may also consider a financial asset to be in default when internal or external information indicates that the Australian Education Union ACT 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.

1.15 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 Australian Education Union ACT Branch financial liabilities include trade and other payables.

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.15 Financial Liabilities (continued)

Subsequent measurement

Financial liabilities at amortised cost

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

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

Derecognition

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

1.16 Liabilities relating to contracts with customers

Contract liabilities

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

Refund liabilities

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

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.17 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.

1.18 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.

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.18 Land, buildings, plant and equipment (continued)

Depreciation

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

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

	2020	2019
Land & buildings	40 years	40 years
Plant and equipment	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.

1.19 Investment property

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

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

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.19 Investment property (continued)

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

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

1.20 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.

1.21 Taxation

The Australian Education Union ACT Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (**FBT**) and the Goods and Services Tax (**GST**).

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

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

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

Notes to the Financial Statements
For the year ended 31 December 2020

1. Summary of significant accounting policies (continued)

1.21 Taxation (continued)

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.

1.22 Fair value measurement

The Australian Education Union ACT Branch measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets 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 Australian Education Union ACT Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

1. Summary of significant accounting policies (continued)

1.22 Fair value measurement (continued)

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

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

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

1.23 Inventory

Finished goods are stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

1.24 Going concern

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

Notes to the Financial Statements
For the year ended 31 December 2020

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 Australian Education Union ACT 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 Australian Education Union ACT Branch.

The Australian Education Union ACT Branch has an internal legal matter that is currently progressing, the outcome of which is unknown and legal costs and or compensation claims can not be estimate at this time.

A foreshadowed restructuring of staff of the Australian Education Union ACT Branch is currently been undertaken. The Australian Education Union ACT Branch is not in a position to reasonably estimate the financial costs of the restructuring.

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 Australian Education Union ACT Branch, the results of those operations, or the state of affairs of the Australian Education Union ACT Branch in subsequent financial periods.

Note 3. Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the Australian Education Union ACT Branch revenue by type of arrangements is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	2020	2019
	\$	\$
Type of customer		
Members	3,061,549	2,662,273
Other parties	87,014	-
Total revenue from contracts with customers	<u>3,148,563</u>	<u>2,662,273</u>

Disaggregation of income for furthering activities

A disaggregation of the Australian Education Union ACT Branch income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

Income funding sources		
Government	100,000	-
Total income for furthering activities	<u>100,000</u>	<u>-</u>

Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
	\$	\$
Note 3A: Capitation fees and other revenue from another reporting unit		
Capitation fees: AEU - Federal Office	-	-
Other revenue from another reporting unit	-	-
Total capitation fees and another revenue from other reporting unit	<u>-</u>	<u>-</u>
Note 3B: Levies		
Levies	-	-
Total levies	<u>-</u>	<u>-</u>
Note 3C: Investment income		
Interest	8,490	31
Dividends	13,176	16,468
Total investment income	<u>21,667</u>	<u>16,499</u>
Note 3D: Rental income		
Properties	45,334	44,576
Total rental revenue	<u>45,334</u>	<u>44,576</u>
Note 3E: Grants and donations		
Grants	-	-
Donations	-	-
Total grants and donations	<u>-</u>	<u>-</u>
Note 3F: Other revenue		
Advertising Revenue	9,950	8,039
Cash flow boost	100,000	-
Public Education Week Event	-	22,700
Other Revenue	10,063	56,666
Total Other Revenue	<u>120,013</u>	<u>87,405</u>
* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.		
Note 3G: Net gains from sale of assets		
Note 3F: Net gains from sale of assets		
Plant and equipment	1,236	-
Total net gain from sale of assets	<u>1,236</u>	<u>-</u>

Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
	\$	\$
Note 3H: Revenue from recovery of wages activity		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	<u>-</u>	<u>-</u>
Note 4 Expenses		
Note 4A: Employee expenses		
Holders of office:		
Wages and salaries	170,169	135,010
Superannuation	47,543	39,718
Leave and other entitlements	8,398	46,518
Separation and redundancies	-	-
Other employee expenses	6,264	7,014
Subtotal employee expenses holders of office	<u>232,374</u>	<u>228,260</u>
Employees other than office holders:		
Wages and salaries	1,540,934	1,338,251
Superannuation	249,731	208,068
Leave and other entitlements	16,773	9,637
Separation and redundancies	-	-
Other employee expenses	10,728	1,736
Subtotal employee expenses employees other than office holders	<u>1,818,166</u>	<u>1,557,692</u>
Total employee expenses	<u>2,050,540</u>	<u>1,785,952</u>
Note 4B: Capitation fees and other expense to another reporting unit		
Capitation fees	121,202	114,714
Subtotal capitation fees	<u>121,202</u>	<u>114,714</u>
Other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	<u>121,202</u>	<u>114,714</u>
Capitation fees comprises of fees and levies paid to Australian Education Union - Federal Office		
Note 4C: Affiliation fees		
Australian Education Union - Federal Office	20,027	17,566
Trades and Labour Council ACT	30,440	28,983
Total affiliation fees/subscriptions	<u>50,467</u>	<u>46,549</u>

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Notes to the Financial Statements
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	2020	2019
	\$	\$
Note 4D: Administration expenses		
Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies	-	-
Publication levy - Australian educator	13,029	12,221
Publication levy - TAFE teacher	641	666
ACTU campaign levy	23,053	21,725
Education international	9,566	11,211
Public education	14,660	14,084
Fees/allowances - meeting and conferences	23,302	32,824
Conference and meeting expenses	35,935	52,463
Property expenses	72,265	71,255
Subscriptions	6,627	5,812
Office expenses	32,126	21,582
Payroll and FBT expenses	6,134	2,436
Recruitment	260	9,650
Information communications technology	68,613	55,469
Insurances	51,672	42,905
Special Interest and Event	14,838	74,261
Marketing and promotions	75,743	59,090
Other	6,483	4,987
Subtotal administration expense	454,947	492,641

Note 4E: Grants or donations

Grants:

Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-

Donations:

Total expensed that were \$1,000 or less	-	1,500
Total expensed that exceeded \$1,000	19,400	-

Total grants or donations	19,400	1,500
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Note 4F: Depreciation and amortisation

Depreciation:

Land & buildings	20,659	20,659
Property, plant and equipment	18,977	25,522
Total depreciation	39,636	46,181

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Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
	\$	\$
Note 4G: Finance costs		
Bank	5,243	5,228
Total finance costs	<u>5,243</u>	<u>5,228</u>

Note 4H: Legal costs

Litigation	-	-
Other legal costs	11,534	13,429
Total legal costs	<u>11,534</u>	<u>13,429</u>

Note 4I: Other expenses

Penalties - via RO Act or the Fair Work Act 2009*	-	-
Accounting fees	28,417	33,970
Campaigns	41,158	29,415
Members and professional development course	42,416	53,439
Total other expenses	<u>111,991</u>	<u>116,824</u>

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank	1,221,715	661,933
Cash on hand	122	252
Total cash and cash equivalents	<u>1,221,837</u>	<u>662,185</u>

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Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
	\$	\$
Note 5B: Trade and other receivables		
Receivables from other reporting unit		
Australian Education Union - Federal Office	-	-
Total receivables from other reporting unit	<u>-</u>	<u>-</u>
Less allowance for expected credit losses	-	-
Receivable from other reporting unit (net)	<u>-</u>	<u>-</u>
Other receivables:		
Trade receivables	-	-
Investment income receivables	2,824	929
Member's welfare loan	9,720	27,844
GST receivable	-	-
Other	-	-
Total other receivables	<u>12,544</u>	<u>28,773</u>
Total trade and other receivables (net)	<u><u>12,544</u></u>	<u><u>28,773</u></u>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 July	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 30 June	<u>-</u>	<u>-</u>

Note 5D: Other current assets

Prepayments	45,151	104,169
Other receivables	2,727	2,727
Total other current assets	<u><u>47,879</u></u>	<u><u>106,896</u></u>

Note 5D: Inventory

Current		
Merchandise	4,883	-
Total current inventories	<u><u>4,883</u></u>	<u>-</u>

Notes to the Financial Statements
For the year ended 31 December 2020

Note 6A&6B: Property, Plant and Equipment

2020	Land and buildings \$	Plant and Equipment \$	Total \$
Property, Plant and Equipment:			
fair value	1,415,000	246,018	1,661,018
accumulated depreciation	(41,318)	(222,610)	(263,928)
Total Property, Plant and Equipment	1,373,682	23,408	1,397,090
<hr/>			
Net book value 1 January 2020	1,373,682	23,408	1,397,090
Additions by purchase	-	35,759	35,759
Depreciation expense	(20,659)	(18,977)	(39,636)
Disposals	-	(736)	(736)
Net book value 31 December 2020	1,353,023	39,454	1,392,477
<hr/>			
Net book value as of 31 December 2020 represented by:			
Gross book value	1,415,000.00	281,041.00	1,696,041
Accumulated depreciation and impairment	(61,977)	(241,587)	(303,564)
Net book value 31 December 2020	1,353,023	39,454	1,392,477
<hr/>			
2019	Land and buildings \$	Plant and Equipment \$	Total \$
Property, Plant and Equipment:			
fair value	1,415,000.00	235,696	1,650,696
accumulated depreciation	(20,659)	(197,088)	(217,747)
Total Property, Plant and Equipment	1,394,341	38,608	1,432,949
<hr/>			
Net book value 1 January 2019	1,394,341	38,608	1,432,949
Additions by purchase	-	10,322	10,322
Depreciation expense	(20,659)	(25,522)	(46,181)
Net book value 31 December 2019	1,373,682	23,408	-
<hr/>			
Net book value as of 31 December 2019 represented by:			
Gross book value	1,415,000	246,018	1,661,018
Accumulated depreciation and impairment	(41,318)	(222,610)	(263,928)
Net book value 31 December 2019	1,373,682	23,408	1,397,090

Notes to the Financial Statements
For the year ended 31 December 2020

Note 6A&6B: Property, Plant and Equipment (continued)

Title for the property is held under the Australian Education Union – Federal office.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. As at the date of revaluation (1st July 2017), the properties' fair values are based on valuations performed by MMJ Valuation and property consultants, an accredited independent valuer.

Significant unobservable valuation input	Amount
Price per square metre	[\$4,367]

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

	2020	2019
	\$	\$
Note 6C: Other non-current assets		
Managed investments	454,352	437,101

Note 7 Current Liabilities

Note 7A: Trade payables
Trade creditors and accruals

	12,619	10,229
Payables to other reporting unit		
AEU Federal Office	-	-
Total trade payables	<u>12,619</u>	<u>10,229</u>

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

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Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
	\$	\$
Note 7B: Other payables		
Superannuation	46,588	28,956
Payable to employers for making payroll deductions of membership subscriptions	-	-
GST payable	64,417	55,206
PAYG payable	43,770	43,649
Accrued Expenses	10,184	15,123
Other	607	-
Total other payables	165,566	142,934

Note 8 Provisions

Note 8A: Employee provisions

Office holders:

Annual leave	17,235	16,873
Long service leave	36,023	27,624
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	<u>53,258</u>	<u>44,497</u>

Employees other than office holders:

Annual leave	182,142	148,089
Long service leave - current	-	22,344
Long service leave - non-current	131,263	50,386
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	<u>313,405</u>	<u>220,818</u>

Total employee provisions

366,663 265,316

Current	235,400	214,930
Non-current	131,263	50,386
Total employee provisions	<u>366,663</u>	<u>265,316</u>

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Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
	\$	\$
Note 9 Equity		
Note 9A: General funds		
Asset revaluation reserve:		
Balance as at start of year	404,087	371,312
Transferred to reserve	5,944	-
Transferred out of reserve	-	32,775
Balance as at end of year	<u>410,031</u>	<u>404,087</u>
General account/ retained earnings:		
Balance as at start of year	1,809,479	1,637,164
Transferred to reserve	369,614	172,315
Transferred out of reserve	-	-
Balance as at end of year	<u>2,179,093</u>	<u>1,809,479</u>
Total reserves	<u>2,589,124</u>	<u>2,213,566</u>

Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
	\$	\$
Note 10 Cash Flow		
Note 10A: Cash flow reconciliation		
Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:		
Cash and cash equivalents as per:		
Cash flow statement	1,221,837	662,185
Balance sheet	<u>1,221,837</u>	<u>662,185</u>
Difference	<u>-</u>	<u>-</u>
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	369,614	172,315
Adjustments for non-cash items		
Depreciation/amortisation	39,636	46,181
Impairment of receivables	-	-
Investment income	(16,191)	(14,691)
Gain on disposal of assets	(1,236)	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	16,229	12,375
(Increase)/decrease in prepayments	59,017	(42,959)
Increase/(decrease) in supplier payables	2,390	(23,557)
Increase/(decrease) in other payables	22,633	(25,674)
Increase/(decrease) in employee provisions	101,348	71,394
Increase/(decrease) in other provisions		
Net cash from (used by) operating activities	<u>593,441</u>	<u>195,384</u>
Note 10B: Cash flow information		
Cash outflows		
AEU Federal Office	<u>121,201</u>	<u>114,713</u>
Total cash outflows	<u>121,201</u>	<u>114,713</u>

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Notes to the Financial Statements
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Note 11 Contingent Liabilities, Assets and Commitments

Note 11A: Commitments and contingencies

The Registered organisation had no contingent liabilities/assets as at 31 December 2020 and 31 December 2019.

The Registered organisation had no commitments for expenditure as at 31 December 2020 and 31 December 2019.

Note 12 Related Party Disclosures

Note 12A: Related party transactions for the reporting period

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

	2020	2019
	\$	\$
Revenue received from AEU - Federal office includes the following:		
Income	-	-
Expenses paid to AEU - Federal office includes the following:		
Capitation fees	121,202	114,714
Publication levy - Australian educator	13,029	12,221
Publication levy - TAFE teacher	641	666
ACTU campaign levy	23,053	21,725
Education international	9,566	11,211
Public education	14,660	14,084
	<u>182,151</u>	<u>174,621</u>
Loans to members includes the following:		
Member's welfare loan	<u>9,720</u>	<u>27,844</u>

Notes to the Financial Statements
For the year ended 31 December 2020

Note 12 Related Party Disclosures (continued)

Terms and conditions of transactions with related parties

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

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the yearend are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. No expected credit losses have been raised in relation to any outstanding balances, and no expense has been recognised in respect of expected credit losses due from loan to a related party (2019: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates. The loan provided to members receives a rate of interest of 0% and is repayable on a fortnightly basis.

	2020	2019
	\$	\$

Note 12B: Key management personnel remuneration for the reporting period

Short-term employee benefits

Salary (including annual leave taken)	184,831	188,541
Annual leave accrued	1,640	6,216
Total short-term employee benefits	186,471	194,757

Post-employment benefits:

Superannuation	47,543	39,718
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Other long-term benefits:

Long-service leave	8,248	10,660
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Termination benefits

	-	-
Total	242,262	245,135

Note 13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	15,225	15,420
Other services	-	-
Total remuneration of auditors	15,225	15,420

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

Notes to the Financial Statements
For the year ended 31 December 2020

Note 14 Financial Instruments

The registered organisation's activities expose it to a variety of financial risks: market risk (including price risk and interest rate risk), credit risk and liquidity risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the registered organisation.

Note 14A: Categories of Financial Instruments

Financial assets

	2020	2019
	\$	\$
At fair value through profit or loss:		
Managed investments	454,352	437,101
At amortised cost:		
Cash at bank	1,221,837	662,185
Loans and receivables:		
Trade receivables	-	-
Investment income receivable	2,824	929
Member's welfare loan	9,720	27,844
Total	<u>1,688,734</u>	<u>1,128,059</u>

Financial liabilities

Other financial liabilities:

Trade and other payables	12,619	10,229
Trade and other payables	10,184	15,123
Total	<u>22,803</u>	<u>47,536</u>

Notes to the Financial Statements
For the year ended 31 December 2020

	2020	2019
	\$	\$
Note 14B: Net income and expense from financial liabilities		
Short term investments		
Financial assets at fair value through profit and loss:		
Interest revenue	8,490	31
Investment income	13,176	16,468
Net gain/(loss) on financial assets at fair value through profit and loss	21,667	16,499

Note 14C: Credit risk

Credit risk is the risk of financial loss to the branch if a customer or counter party to a financial instrument fails to meet their contractual obligations.

The following table illustrates the entity's gross exposure to credit risk:

	2020	2019
	\$	\$
• Financial Assets		
Investments	454,352	437,101
Cash and cash equivalents	1,221,837	662,185
Investment income receivables	2,824	929
Member's welfare loan	9,720	27,844
Total	1,688,734	1,128,059
• Financial Liabilities		
Trade and other payables	12,619	10,229
Accrued expenses	10,184	15,123
Total	22,803	47,536

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

	Not past due nor impaired 2020 \$	Past due or impaired 2020 \$	Not past due nor impaired 2019 \$	Past due or impaired 2019 \$
2020				
Managed investments	454,352	-	437,101	-
Cash at bank	1,221,837	-	662,185	-
Investment income receivable	2,824	-	929	-
Member's welfare loan	9,720	-	27,844	-
Total	1,688,734	-	1,128,059	-

Notes to the Financial Statements
For the year ended 31 December 2020

Note 14D: Liquidity risk

Liquidity risk is the risk that the branch will not be able to fund its obligations as they fall due. Contractual maturities for financial liabilities

Contractual maturities for financial liabilities 2020

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade creditors	-	12,619	-	-	-	-
Total	-	12,619	-	-	-	-

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade creditors	-	25,352	-	-	-	25,352
Total	-	25,352	-	-	-	25,352

Note 14F: Market risk

Market risks generally include interest rate risk, price risk, and currency risk. The Branch is exposed mainly to interest rate risk in relation to the returns received from its Cash and Cash Equivalents and Managed Investments. All are domestic investments so there are no currency risks in relation to those investments held by the Branch.

Interest rate risk

The method and assumption used for sensitivity analysis for 2020 and 2019, are the same and illustrate the effect that a 2% change in interest rates will have on the Branch's profit and loss and Equity for both years. The change is equivalent to the approximate CPI variation during both years.

Sensitivity analysis of the risk that the entity is exposed to for 2020

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss \$	Equity \$
Cash and cash equivalents	Interest rate	2	24,437	24,437
Managed investments	Interest rate	2	9,087	9,087

Notes to the Financial Statements
For the year ended 31 December 2020

Note 14F: Market risk (continued)

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Risk variable	Change in risk variable %	Effect on	
			Profit and loss	Equity
			\$	\$
Cash and cash equivalents	Interest rate	2	9,542	9,542
Managed investments	Interest rate	2	7,793	7,793

Price risk

The Branch is exposed to equity securities price risk through the investment portfolio. This arises from investments held by the Union and classified on the statement of financial position as fair value through profit and loss. The Union is not exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, the Union diversifies its portfolio.

Note 15 Fair Value Measurement

Note 15A: Financial assets and liabilities

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

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

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 Australian Education Union ACT 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 managed investments is derived from quoted market prices in active markets.

Notes to the Financial Statements
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Note 15A: Financial assets and liabilities (continued)

- Long term fixed rate and variable rate receivables/borrowings are evaluated by the entity based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 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 Australian Education Union ACT Branch financial assets and liabilities:

	Carrying amount 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
Managed investments	454,352	454,352	437,101	437,101
Cash and cash equivalents	1,221,837	1,221,837	662,185	662,185
Investment income receivables	2,824	2,824	929	929
Member's welfare loan	9,720	9,720	27,844	27,844
Land and buildings	1,353,023	1,373,682	1,373,682	1,373,682
Total	3,041,756	2,501,741	2,501,741	2,501,741
Financial liabilities				
Trade payables	12,619	10,229	10,229	10,229
Accrued expenses	10,184	10,184	15,123	15,123
	25,352	25,352	25,352	25,352

Notes to the Financial Statements
For the year ended 31 December 2020

Note 15B: 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

	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Managed investments	454,352	-	-
Land and buildings	-	1,353,023	-
Total	437,101	1,353,023	-

Fair value hierarchy – 31 December 2019

	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Managed investments	437,101	-	-
Land and buildings	-	1,373,682	-
Total	437,101	1,373,682	-

Note 16 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 an Australian Education Union ACT Branch, or the Commissioner, may apply to the Australian Education Union ACT Branch for specified prescribed information in relation to the Australian Education Union ACT 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 Australian Education Union ACT Branch.

An Australian Education Union ACT Branch must comply with an application made under subsection (1)

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Officer declaration statement

For the year ended 31 December 2020

I, Angela Burroughs, Branch President of the Australian Education Union ACT Branch, declare that the following activities did not occur during the reporting period ending 31 December 2020.

The Australian Education Union ACT Branch did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees or any other revenue amount from another reporting unit
- receive revenue via compulsory levies
- 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 separation and redundancy to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay legal costs relating to litigation
- have a receivable with other reporting unit
- have a payable with other reporting unit
- 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 separation and redundancy provision in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit and/or controlled entity

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Appendix A – Australian Accounting Standards that have not been considered in these model financial statements

- *AASB 1 First-time Adoption of Australian Accounting Standards*
- *AASB 2 Share-based Payment*
- *AASB 3 Business Combinations*
- *AASB 4 Insurance Contracts*
- *AASB 5 Non-current Assets Held for Sale and Discontinued Operations*
- *AASB 6 Exploration for and Evaluation of Mineral Resources*
- *AASB 8 Operating Segments*
- *AASB 10 Consolidated Financial Statements*
- *AASB 14 Regulatory Deferral Accounts*
- *AASB 102 Inventories*
- *AASB 112 Income Taxes*
- *AASB 121 The Effects of Changes in Foreign Exchange Rates*
- *AASB 129 Financial Reporting in Hyperinflationary Economies*
- *AASB 133 Earnings per Share*
- *AASB 134 Interim Financial Reporting*
- *AASB 141 Agriculture*
- *AASB 1004 Contributions¹*
- *AASB 1023 General Insurance Contracts*
- *AASB 1038 Life Insurance Contracts*
- *AASB 1039 Concise Financial Reports*
- *AASB 1049 Whole of Government and General Government Sector Financial Reporting*
- *AASB 1050 Administered Items*
- *AASB 1051 Land Under Roads*
- *AASB 1052 Disaggregated Disclosures*
- *AASB 1056 Superannuation Entities*
- *AASB 1059 Service Concession Arrangements: Grantors*

Appendix A – Australian Accounting Standards that have not been considered in these model financial statements (continued)

¹ The scope of AASB 1004 has been significantly reduced by consequential amendments made by AASB 1058 Income of Not-for-Profit Entities.

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- *AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities*
- *AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements*
- *AASB 2020-2 Amendments to Australian Accounting Standards – Removal of Special Purpose Financial Statements for Certain For-Profit Private Sector Entities*
- *AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform*
- *AASB 2019-7 Amendments to Australian Accounting Standards - Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations*
- *AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia*
- *Interpretation 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities*
- *Interpretation 2 Members' Shares in Co—operative Entities and Similar Instruments*
- *Interpretation 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds*
- *Interpretation 6 Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*
- *Interpretation 7 Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies*
- *Interpretation 10 Interim Financial Reporting and Impairment*
- *Interpretation 12 Service Concession Arrangements*
- *Interpretation 16 Hedges of a Net Investment in a Foreign Operation*
- *Interpretation 17 Distributions of Non-Cash Assets to Owners*
- *Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments*
- *Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine*
- *Interpretation 21 Levies*
- *Interpretation 22 Foreign Currency Transactions and Advance Consideration*
- *Interpretation 23 Uncertainty over Income Tax Treatments*
- *Interpretation 107 Introduction of the Euro*
- *Interpretation 110 Government Assistance — No Specific Relation to Operating Activities*

Appendix A – Australian Accounting Standards that have not been considered in these model financial statements (continued)

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- Interpretation 125 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*
- Interpretation 129 *Service Concession Arrangements: Disclosures*
- Interpretation 1003 *Australian Petroleum Resource Rent Tax*
- Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*
- Interpretation 1047 *Professional Indemnity Claims Liabilities in Medical Defence Organisations*
- Interpretation 1052 *Tax Consolidation Accounting*
- Interpretation 1055 *Accounting for Road Earthworks*

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Appendix B - Future Australian Accounting Standards Requirements that have not been considered in these model financial statements

- AASB 17 Insurance Contracts
- AASB 2020-3 *Amendment to AASB 141 – Taxation in Fair Value Measurements*
- AASB 2020-3 *Amendment to AASB 1 – Subsidiary as a First-time Adopter*
- AASB 2020-3 *Amendments to AASB 137 – Onerous Contracts – Cost of Fulfilling a Contract*
- AASB 2020-3 *Amendments to AASB 116 – Property, Plant and Equipment: Proceeds before Intended Use*
- AASB 2020-31 *Amendment to AASB 9 – Fees in the ‘10 per cent’ Test for Derecognition of Financial Liabilities*

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Appendix C – Amendments issued and effective at the reporting date

AASB 2018-6 Amendments to Australian Accounting Standards - Definition of a Business

The amendment to AASB 3 *Business Combinations* clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs.

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the accounting standard setter in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards. This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

AASB 2020-4 Amendments to AASs – Covid-19-Related Rent Concessions

These amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under AASB 16 *Leases*, if the change were not a lease modification.

These amendments had no impact on the financial statements of the Australian Education Union ACT Branch, but may impact future periods.