



17 July 2017

Mr Jarvis Ryan
President, Northern Territory Branch
Australian Education Union

Sent via email: jarvis.ryan@aeunt.org.au

Dear Mr Ryan

Re: Australian Education Union, Northern Territory Branch – financial report for year ending 31 December 2016 (FR2016/407)

I refer to the financial report of the Northern Territory Branch of the Australian Education Union. The documents were lodged with the Registered Organisations Commission ('the ROC') on 16 June 2017. An amended audit report was received on 14 July 2017.

The financial report has now been filed. The financial report was filed based on a primary review. This involved confirming whether the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

You are not required to take any further action in respect of the report lodged. However I make the following comments to assist you when preparing the next financial report. Please note that the financial report for the period ending 31 December 2017 may be subject to an advanced compliance review.

Donations disclosure

The Branch has advised the amount disclosed at Note 4E for donations exceeding \$1,000 was a line error. The 2017 report should show this as a 2016 comparative figure for donations \$1,000 or less.

Legal costs payable disclosure

The Branch has suggested the amount disclosed at Note 7B for legal costs (accrual) was not a payable in respect of legal costs but should have been disclosed in relation to Temp and Labour Hire. This amount should be reflected in the 2016 comparative figure for the appropriate category classification in the 2017 report. In any case where there are no legal costs payables, a nil-activity disclosure must be included in accordance with Reporting Guideline 21.

Reporting Requirements

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. The most recent copy of the Reporting Guidelines and a model set of financial statements can also be found. The ROC recommends reporting units use this model as it

will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

Please note that new Reporting Guidelines will apply to organisations and branches with financial years *commencing* on or after 1 July 2017. Updates and information on the new guidelines will be provided through the ROC website and the [subscription service](#).

If you have any queries regarding this letter, please contact me via email at stephen.kellett@roc.gov.au.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Stephen Kellett
Financial Reporting
Registered Organisations Commission

From: KELLETT,Stephen
Sent: Monday, 17 July 2017 10:16 AM
To: 'Jarvis Ryan'
Cc: 'arehman@nexiaem.com.au'
Subject: Financial reporting - AEU NT Branch - y/e 31 Dec 2016 - filing [SEC=UNCLASSIFIED]

Dear Mr Ryan,

Please see attached my letter in relation to the above.

Yours faithfully

STEPHEN KELLETT
Senior Adviser
Financial Reporting
Registered Organisations Commission

Tel: (02) 6746 3283
Email: stephen.kellett@roc.gov.au

GPO Box 2983, MELBOURNE VIC 3001 | Level 13, 175 Liverpool Street, Sydney NSW 2000

www.roc.gov.au



Australian Government
Registered Organisations Commission

Please consider the environment before printing this message



AEU NT FR2016 407
(primary final).pdf

From: Jarvis Ryan [mailto:jarvis.ryan@aeunt.org.au]
Sent: Friday, 14 July 2017 1:32 PM
To: KELLETT, Stephen
Subject: RE: Financial reporting - y/e 31 Dec 2016 - further information - amended documentation [SEC=UNCLASSIFIED]

Hi Stephen

Answers to your questions are provided here as requested.

1.&2. Please see attached email and amended audited report from our auditor – an error in their proofing process means that these details were omitted from the final report they provided to the Branch.

Items 3 and 4 I have asked our bookkeeper Mel Sturt to check our records to clarify what has happened. Her responses are included below.

3. *Breakdown direct from MYOB attached.*

Donations were: 2 x Lions Club for Children's Film Festival and 1 x Henbury School.

I believe Auditor has placed the donations in the incorrect field as no single donation was over \$1000.

4. Legal Costs (Accrual) –

Given that the reported amount of \$ 8880 is included in the payroll reporting area, I believe that this figure relates to Hall Payne Lawyers invoice (dated 04.01.17) for services provided in Oct to Dec 2016.

However this cost was posted to 6-2060 Temp & Labour Hire, as the services provided from Hall Payne was for their employee to temporarily act in the role as the AEUNT Industrial Officer.

He was not acting in the role as a lawyer and therefore I do not believe that this cost should be reflected as Legal costs (accrual) in the 2016 Audit Report (pg 44), but instead it should shown as Temp & Labour Hire, precisely as it was intended to be when posted to MYOB.

I also believe the figure has been incorrectly reported with GST, however the Auditor would have to confirm this.

I've attached 2 reports direct from MYOB to support the above notes.

I will await your response as to what further actions we need to take from here.

Kind regards

Jarvis Ryan

Branch President

Australian Education Union NT

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Amended Audit
Report.msg



Hall Payne Legal
Costs Accrual 2016.p



Legal Costs Accrual
2016.pdf



Donations 2016.pdf

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

Opinion

We have audited the financial statements, being a general purpose financial statements, of NT Branch of the Australian Education Union ("the Branch"), which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and committee of management statement.

In our opinion, the accompanying financial statements of NT Branch of the Australian Education Union, is in accordance with the Australian Accounting Standards and relevant provisions of the Fair Work (Registered Organisations) Act 2009.

Basis for Opinion

We conducted our audit in accordance with the Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the branch in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (the Code) that are relevant to our audit of the financial statements in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Audit Declaration

There are reasonable grounds to believe that management's use of the going concern basis of accounting in the preparation of the Branch's financial statements is appropriate.

Committee Members' Responsibility for the Financial Statements

The committee members of the branch are responsible for the preparation of the financial statements that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Fair Work (Registered Organisations) Act 2009*, and is appropriate to meet the needs of the members. The committee members are also responsible for such internal control as the committee determine is necessary to enable the preparation of the financial statements that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

The committee members are responsible for overseeing the branch's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NT BRANCH OF THE AUSTRALIAN EDUCATION UNION (CONT)***Auditor's Responsibilities for the Audit of the Financial Statements (Cont)***

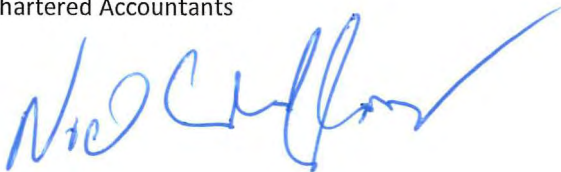
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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



Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

Darwin

Dated

29 May 2017

From: KELLETT,Stephen
Sent: Thursday, 6 July 2017 12:33 PM
To: 'jarvis.ryan@aeunt.org.au'
Cc: 'infoNT@nexiaem.com.au'
Subject: Financial reporting - y/e 31 Dec 2016 - further information - amended documentation
[SEC=UNCLASSIFIED]

Dear Mr Ryan,

I refer to the Branch's financial statements lodged on 16 June. Before filing the report I will require further information in relation to the following:

1. ***Auditor's report: declaration regarding going concern*** - Paragraph 39 of the Reporting Guidelines requires an auditor to include in the auditor's statement a declaration that as part of the audit of the financial statement they have concluded that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is or is not appropriate. This declaration was not included in the auditor's statement.
2. ***Auditor's report: reference to committee of management statement*** – paragraph 24(c) of the Australian Auditing Standard 700 requires the opinion section of the auditor's report to identify the title of each statement comprising the financial report. Sub-section 253(2)(c) of the *Fair Work (Registered Organisations) Act 2009* ('the RO Act') provides that a financial report includes "any other reports or statements required by the reporting Guidelines", and reporting Guideline 34 requires a committee of management statement to be prepared "for the purposes of section 253(2)(c)". The committee of management's statement was not identified in the auditor's report. [The reference to "designated officer's certificate" which was included is not equivalent because that document does not comprise part of the audited financial report but is a document separately required by section 268 to be completed after the reporting unit has complied with sections 265 and 266.]

The Commission aims to assist reporting units in complying with their obligations under the RO Act and Reporting Guidelines by providing advice about any errors identified in financial reports and these omissions were brought to the Branch's attention in last year's correspondence (see attached).

I note that the 2016 signatory auditor was not the signatory auditor in 2015. On this occasion, I would request, and the Commission will accept, either (a) an amended auditor's report that includes the declaration and identifies the committee of management statement, or (b) a letter from the auditor separately stating their opinion as to management's use of the going concern basis of accounting assumption in the preparation of the reporting unit's financial statements for 2016, and confirming that the 2017 audit report will include the omitted information.

3. ***Difference in figure reported in LGD statement and GPFR*** - A Loans, Grants and Donations statement was lodged with the ROC as required under subsection 237(1) of the RO Act on 29 March (see attached). A figure for donations that exceeded \$1,000 was disclosed in the financial report (see extract attached) that did not correspond to the disclosure in the Loans, Grants and Donations Statement.

I would ask the Branch to confirm whether the figure reported in the financial report has been correctly disclosed. If the Loans, Grants and Donations statement is incorrect, I would ask the Branch to submit

an amended statement and email it directly to me at my email address. If the disclosure in the financial report is incorrect, next year's report should show a corrected comparative for 2016.

4. **Disclosure of payables in respect of legal costs** - Reporting Guideline 20(b) requires any payables in relation to legal costs to be disclosed by the categories (i) "litigation" and (ii) "other legal matters". [This is a similar category division as required by Reporting Guideline 16(j) for legal costs expenses paid]. Note 7B discloses a "legal costs (accrual)" liability but does not distinguish based on these categories.

I would ask the Branch to confirm which category (or categories) the amount disclosed falls under.

Please don't hesitate to contact me if you have any questions.

Yours faithfully

STEPHEN KELLETT

Senior Adviser
Financial Reporting

Registered Organisations Commission

Tel: (02) 6746 3283

Email: stephen.kellett@roc.gov.au

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www.roc.gov.au



Australian Government
Registered Organisations Commission



legal payables
disclosure (report).pd



Donations disclosure
(report).pdf



AEU NT Statement
loans donations 2017



AEU NT FR2015
filing letter.pdf

From: Jarvis Ryan [<mailto:jarvis.ryan@aeunt.org.au>]
Sent: Friday, 16 June 2017 3:30 PM
To: ROC - Registered Org Commission
Cc: Susan Hopgood (shopgood@aeufederal.org.au)
Subject: HPRM: ON CMS FR2016/407 AEU NT 2016 audited financial report

[FR2016/407](#)

To Whom It May Concern

Attached please find the AEU NT Branch's 2016 audited financial report and accompanying signed designated officer's certificate.

Kind regards

Jarvis Ryan
Branch President
Australian Education Union NT

Phone 08 8948 5399 Fax 08 8948 2577

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www.twitter.com/jarvis001

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Signed Financial
Statements with Audi



1544_001.pdf

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION


S.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 December 2016

I *Jarvis Anthony Ryan* being the *President* of the *NT Branch of the Australian Education Union* certify:

- that the documents lodged herewith are copies of the full report for the *NT Branch of the Australian Education Union* for the year ended 31 December 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was provided to members of the Branch on 29/5/17; and
- that the full report was presented to a ~~general meeting of members or meeting of the committee of management~~ of the *NT Branch of the Australian Education Union* on 16/6/17 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: Jarvis Ryan

Title of prescribed designated officer: Branch President

Dated: 16/6/17



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
FINANCIAL STATEMENTS
31 DECEMBER 2016**

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

ABN 64 406 978 451

FINANCIAL STATEMENTS

31 December 2016

Contents

Independent Auditor's Report	2
Designated Officer's Certificate	5
Operating Report	6
Committee of Management Statement	11
Statement of Profit or Loss and Other Comprehensive Income	12
Statement of Financial Position	13
Statement of Changes in Equity	14
Statement of Cash Flows	15
Recovery of Wages Activity	16
Notes to and Forming Part of the Financial Statements	17

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

Opinion

We have audited the financial report, being a general purpose financial report, of NT Branch of the Australian Education Union, which comprises the statement of financial position as at 31 December 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the designated officer's certificate.

In our opinion, the accompanying financial report of NT Branch of the Australian Education Union, is in accordance with the Australian Accounting Standards and relevant provisions of the Fair Work (Registered Organisations) Act 2009.

Basis for Opinion

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

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

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared to assist NT Branch of the Australian Education Union to meet the requirements of the Australian Accounting Standards and relevant provisions of the Fair Work (Registered Organisations) Act 2009. As a result, the financial report may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

Committee Members' Responsibility for the Financial Report

The committee members of the branch are responsible for the preparation of the financial report that gives a true and fair view and have determined that the basis of preparation described in Note 1 to the financial statements is appropriate to meet the requirements of the *Fair Work (Registered Organisations) Act 2009*, and is appropriate to meet the needs of the members. The committee members are also responsible for such internal control as the committee 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 members are responsible for assessing the branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the branch or to cease operations, or have no realistic alternative but to do so.

The committee members are responsible for overseeing the branch's financial reporting process.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
(CONT)**

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Nexia Edwards Marshall NT
Chartered Accountants



Noel Clifford
Partner

Darwin

Dated 29th May 2017

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

S.268 *Fair Work (Registered Organisations) Act 2009*

CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER

Certificate for the year ended 31 December 2016

I *Jarvis Anthony Ryan* being the *President* of the *NT Branch of the Australian Education Union* certify:

- that the documents lodged herewith are copies of the full report for the *NT Branch of the Australian Education Union* for the year ended 31 December 2016 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was provided to members of the Branch on _____; and
- that the full report was presented to a *general meeting of members or meeting of the committee of management* of the *NT Branch of the Australian Education Union* on in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

Name of prescribed designated officer:.....

Title of prescribed designated officer:.....

Dated:

NT Branch of the Australian Education Union

OPERATING REPORT

For the period ended 31 December 2016

Your Committee members present their report on the Branch for the financial year ended 31 December 2016.

Committee members

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

Your Committee members present their report on the Branch for the financial year ended 31 December 2016.

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

Jarvis Ryan	Branch President
Anita Jonsberg	Branch Secretary
Stephen Pelizzo	Vice-President (General)
Julie Danvers	Treasurer
Melanie Baldwin	Women's Officer
Cassandra Brown	Councillor representing Indigenous members
Michael Sandford	Regional Councillor (term ended 17/1/16)
Grace Tongatua	Regional Councillor (commenced 18/1/16)
Selena Uibo	Regional Councillor (term ended 17/1/16)
Bernie Gleeson	Regional Councillor (commenced 18/1/16)
Paula Thornton	Regional Councillor
Judy Boland	Regional Councillor (term ended 17/1/16)
Bruce Cameron	Regional Councillor (commenced 18/1/16)
Barry George	Regional Councillor
Alice Leppitt	Regional Councillor (term ended 17/1/16)
Adam Lampe	Regional Councillor (commenced 18/1/16)
Ken Guest	Regional Councillor (commenced 1/5/16)
Robert Skidmore	Regional Councillor (commenced 1/5/16)
Delean Holtze	Regional Councillor (commenced 18/1/16)
Sheryl Fotakis	Regional Councillor
Glynis Hester	Regional Councillor
Peter Hardcastle	Regional Councillor (term ended 17/1/16)
Rebecca Campbel	Regional Councillor (commenced 18/1/16)

Principal activities

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

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

The AEU's NT Branch has the following objectives:

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

NT Branch of the Australian Education Union

OPERATING REPORT (Continued)

For the period ended 31 December 2016

The principal activity of the Australian Education Union Northern Territory during the reporting period was the protection and improvement of employment conditions for its members. During 2016 we recorded 329 cases where officers and staff of the union provided assistance to members, of which almost half comprised issues relating to pay and conditions, with a further sixth related to workload, and the rest consisting of matters such as workers' compensation claims, grievances, bullying and harassment, disciplinary cases, occupational health and safety, performance management and staff selection procedures.

The overarching industrial issue the Branch focused on was securing more opportunities for members to gain permanent employment – the Department of Education's 2016 annual report showed that 38% of classroom teachers were employed on fixed-term contracts.

In 2016 the AEU NT promoted the 'I Give a Gonski' campaign, the Schools Funding Campaign and the Remote Education Campaign and advocated for these in the community and in the NT and federal political spheres.

The AEU NT continued to promote the professional interests of members with representation on the Teacher Registration Board and other professional bodies, and assert the industrial rights of members through the enforcement of various Enterprise Agreements, as well as relevant legislation, by-laws and policies.

Results of activities

The Branch recorded a number of important victories in our campaigns in 2016.

The AEU NT's I Give a Gonski campaign was part of a national campaign by the AEU to secure bipartisan support for the continuation of needs-based school funding. In the NT our efforts were focused on the marginal electorate of Solomon (Darwin and urban Palmerston). Our Branch's Gonski campaign was part of a coalition of trade unions and community members under the umbrella of the ACTU's Build a Better Future campaign. AEU officers, staff and members leafleted outside a number of schools in the lead up to the federal election, held numerous meetings with members in AEU sub-branches, and distributed materials at pre-polling and on election day on 2 July. These materials highlighted that NT public schools stood to lose funding under changes proposed by the Liberal-National Coalition to the school funding model, and urged voters to support parties and candidates that had indicated support for Gonski funding.

The Gonski campaign was successful in the NT context, with CLP MP Natasha Griggs, whose party opposed the continuation of Gonski funding, being unseated in favour of ALP candidate Luke Gosling, whose party pledged its continuation. Although Malcolm Turnbull's government was returned, it was with a vastly reduced majority and in a context in which reducing school funding would be far more difficult, politically speaking.

In the NT political sphere, the AEU continued our public campaign highlighting the damaging impact of the Giles CLP Government's cuts to public schools. The AEU paid for TV advertising which ran over several months in the lead up to the NT election on 28 August. A report commissioned and published by the AEU weeks before the election based on data from ACARA's MySchool website showed that more than 300 teaching positions had been lost in the public system since 2013, with cuts falling most heavily on disadvantaged schools.

The Gunner-led ALP Opposition acknowledged the impact of these cuts and pledged a reversal, with \$30m committed in recurrent funding to restore approximately 165 teaching positions and provide extra resources for students with special needs. No such commitment was forthcoming from the Giles Government, which was resoundingly defeated in the election.

NT Branch of the Australian Education Union

OPERATING REPORT (Continued)

For the period ended 31 December 2016

As a part of the Schools Funding campaign, the AEU NT drew attention to the problems created by the Global School Budgets (GSB) model and the funding model introduced by the CLP Government in 2014 and campaigned for a reversal. The new ALP Government stated it was committed to retaining the GSB model, but late in 2016 announced that an independent review in 2017 into the NT school funding model would take place. This was a victory for the AEU.

Similarly, in the remote education sphere, the change of government signaled a new direction. The new Government announced that it would move to institute a policy of community-led schools, which would take the impetus for education away from the bureaucracy in Darwin and return more power to communities and schools to determine their curriculum priorities.

The AEU NT's push to increase the proportion of members in permanent employment continues. In response to pressure from the union, the Department of Education initiated a "permanency project" in May. Although this led to a number of positions being advertised and filled on an ongoing basis, the rate of contract employment remains high and this is creating problems in recruiting and retaining teachers in the NT, especially in remote and low-SES areas. This issue will be central to the union's enterprise bargaining campaign in 2017.

Significant changes

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

Right of members to resign

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

"17 - Resignation from membership and termination of eligibility

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

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

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

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

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

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

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

(d) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d); provided that persons who are entitled to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.

(2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.

(3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.

NT Branch of the Australian Education Union

OPERATING REPORT (Continued)

For the period ended 31 December 2016

(4) A notice of resignation from membership takes effect:-

(a) where the member ceases to be eligible to become a member of the Union -

(i) on the day on which the notice is received at the office of the relevant Branch Secretary; or

(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or

(b) in any other case -

(i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or

(ii) on the day specified in the notice; whichever is later.

(5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a year before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.

(6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.

(7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).

(8) A resignation from membership is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

(9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.

(10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.

(11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."

Membership and employee numbers

The number of members as of 31 December 2016 was 1487 (the equivalent figure for 2015 was also 1487).

The number of full-time equivalent employees of the Branch in 2016 was five, including two elected full-time officers.

Superannuation trustees

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

(i) a trustee of a superannuation entity or exempt public sector superannuation scheme: or
(ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme: and

(iii) where the criterion for the officer or member being a trustee or director is that the officer or member is an officer or member of a registered organisation.

NT Branch of the Australian Education Union

OPERATING REPORT (Continued)

For the period ended 31 December 2016

Operating results

The loss of the Branch for the financial year after providing for income tax amounted to \$33,195 (2015: loss of \$116,117).

After balance date events

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

Signed in accordance with a resolution of the Branch Executive:



Jarvis Ryan – Branch President

Dated

27/4/17

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

COMMITTEE OF MANAGEMENT STATEMENT

for the period ended 31 December 2016

On the 27 April 2017 the Committee of Management of the *NT Branch of the Australian Education Union ("the Branch")* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:


The committee of management of the Branch declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
 - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

Signed in accordance with a resolution of the Branch Executive:

Signature (Branch President)

Dated


27/4/17

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2016

	Notes	2016 \$	2015 \$
Revenue			
Membership subscription		1,040,037	1,032,683
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	12,291	25,815
Other revenue		3,005	3,884
Total revenue		1,055,333	1,062,382
Other Income			
Grants and/or donations	3D	-	-
Total other income		-	-
Total income		1,055,333	1,062,382
Expenses			
Employee expenses	4A	545,200	607,467
Capitation fees	4B	55,547	65,677
Affiliation fees	4C	-	10,586
Administration expenses	4D	392,232	390,285
Grants or donations	4E	1,236	980
Depreciation and amortisation	4F	24,527	23,481
Finance costs	4G	10,206	12,573
Legal costs	4H	20,175	28,276
Audit fees	14	8,400	8,420
Other expenses	4I	31,005	30,754
Total expenses		1,088,528	1,178,499
Loss for the year		(33,195)	(116,117)
Other comprehensive income			
Gain on revaluation of land & buildings		259,611	-
Total comprehensive income for the year		226,416	(116,117)

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
STATEMENT OF FINANCIAL POSITION**

As at 31 December 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	678,861	733,209
Trade and other receivables	5B	-	-
Other current assets	5C	7,427	4,369
Total current assets		686,288	737,578
Non-Current Assets			
Land and buildings	6A	580,000	320,389
Plant and equipment	6B	62,473	81,777
Other investments	6C	10	10
Total non-current assets		642,483	402,176
Total assets		1,328,771	1,139,754
LIABILITIES			
Current Liabilities			
Trade payables	7A	8,223	23,995
Other payables	7B	64,816	62,009
Employee provisions	8A	36,156	51,235
Finance lease-current portion	7C	10,012	9,355
Total current liabilities		119,207	146,594
Non-Current Liabilities			
Employee provisions	8A	-	-
Finance lease-non-current portion	9A	25,867	35,879
Total non-current liabilities		25,867	35,879
Total liabilities		145,074	182,473
Net assets		1,183,697	957,281
EQUITY			
General funds	10A	-	-
Retained earnings		924,086	957,281
Revaluation reserve	10A	259,611	-
Total equity		1,183,697	957,281

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2016

	Notes	General funds \$	Retained earnings \$	Revaluation reserve \$	Total equity \$
Balance as at 1 January 2015		-	1,073,398	-	1,073,398
Loss for the year		-	(116,117)	-	(116,117)
Other comprehensive income for the year		-	-	-	-
Closing balance as at 31 December 2015		-	957,281		957,281
Loss for the year		-	(33,195)	-	(33,195)
<i>Other comprehensive income for the year</i>					
Gain on revaluation of land and buildings	(6A)	-	-	259,611	259,611
Closing balance as at 31 December 2016		-	924,086	259,611	1,183,697

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
CASH FLOW STATEMENT**

For the year ended 31 December 2016

	Notes	2016 \$	2015 \$
OPERATING ACTIVITIES			
Receipts to other reporting units	11B	-	-
Receipts		1,043,042	1,036,568
Interest		16,660	21,446
		<u>1,059,702</u>	<u>1,058,014</u>
Cash used			
Employees		(559,164)	(589,690)
Suppliers		(536,911)	(519,669)
Payment to other reporting units	11B	-	-
Net cash from (used by) operating activities	11A	<u>(36,373)</u>	<u>(51,345)</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		(5,223)	(5,391)
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		<u>(5,223)</u>	<u>(5,391)</u>
FINANCING ACTIVITIES			
Cash received		-	-
Cash used		(9,355)	(6,408)
Interest paid		(3,397)	(5,765)
Net cash from (used by) financing activities		<u>(12,752)</u>	<u>(12,173)</u>
Net increase (decrease) in cash held		<u>(54,348)</u>	<u>(68,909)</u>
Cash and cash equivalents at the beginning of the reporting period		733,209	802,118
Cash and cash equivalents at the end of the reporting period	5A	<u>678,861</u>	<u>733,209</u>

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
RECOVERY OF WAGES ACTIVITY
For the year ended 31 December 2016

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
INDEX TO THE FINANCIAL STATEMENTS**

For the period ended 31 December 2016

Index to the Notes of the Financial Statements

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Non-current liabilities
Note 10	Equity
Note 11	Cash flow
Note 12	Contingent liabilities, assets and commitments
Note 13	Related party disclosures
Note 14	Remuneration of auditors
Note 15	Financial instruments
Note 16	Fair value measurements
Note 17	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 December 2016

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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

Fair values of investment properties and owner-occupied property

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

1.3 Significant accounting judgements and estimates (continued)

Impairment losses on property and equipment

The Committee reviews its property and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of comprehensive income, the Committee makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property and equipment. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment. At 31 December 2016, the Committee reviewed the key assumptions made by an independent valuer in their valuation. They have concluded that are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 31 December 2016.

Useful life and residual value of property, plant and equipment

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

- AASB 2015-3 (Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality)
- AASB 2014- 4 (Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to AASB 116 and AASB 138))

No other accounting standards have been adopted earlier than the application date.

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 the future reporting period that are expected to have a future financial impact on the Branch include:

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by Council
AASB 9 Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Classification and	Management is currently assessing the impact of the new rules. The Branch is not able to estimate the impact of the new rules on the Branch financial statements. The Branch will make more detailed assessments of the impact over the next twelve months.	Must be applied for financial years commencing on or after 1 January 2018.

	<p>measurement AASB 9 includes requirements for a simpler approach for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. Financial assets</p> <p>a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows.</p> <p>b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument.</p> <p>c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases.</p> <p>Financial liabilities</p>		
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	<p>Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: ► The change attributable to changes in credit risk are presented in other comprehensive income (OCI)</p> <p>► The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. Impairment</p> <p>The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to</p>		
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	<p>recognise full lifetime expected losses on a more timely basis.</p> <p>Hedge accounting Amendments to AASB 9 (December 2009 & 2010 editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures.</p> <p>Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 ((AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.</p>		
AASB 15 Revenue from Contracts with Customers	<p>AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes,</p>	<p>Management is currently assessing the impact of the new rules Branch is not able to estimate the impact of the new rules on the Branch financial statements. The Branch will make more detailed assessments of the impact over the next twelve months..</p>	<p>Must be applied for financial years commencing on or after 1 January 2018.</p>

	<p>Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments). The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations</p>		
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	<p>in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</p> <p>AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted.</p> <p>AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.</p>		
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<p>AASB 16 Leases</p>	<p>The key features of AASB 16 are as follows: Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. • Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. AASB 16 supersedes: (a) AASB 117 Leases (b) Interpretation 4 Determining whether an Arrangement contains a</p>	<p>Management is currently assessing the impact of the new rules Branch is not able to estimate the impact of the new rules on the Branch financial statements. The Branch will make more detailed assessments of the impact over the next twelve months.</p>	<p>Must be applied for financial years commencing on or after 1 January 2019.</p>
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	<p>Lease (c) SIC-15 Operating Leases— Incentives (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.</p>		
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1.5 Revenue

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

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

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

Donation income is recognised when it is received.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

1.5 Revenue (Continued)

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

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

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

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

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

1.8 Employee benefits

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

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

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

1.9 Leases

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

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

1.9 Leases (Continued)

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

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

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

1.10 Borrowing costs

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

1.11 Cash

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

1.12 Financial instruments

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

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

1.13 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

1.13 Financial assets (Continued)

All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

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

A financial asset is classified as held for trading if:

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

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

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

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

Held-to-maturity investments

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

Available-for-sale

Listed shares and listed redeemable notes held by the Branch that are traded in an active market are classified as available-for-sale and are stated at fair value. The Branch also has investments in unlisted shares that are not traded in an active market

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2016

1.13 Financial assets (Continued)

but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

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

Loan and receivables

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

Effective interest method

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

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

Impairment of financial assets

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the period ended 31 December 2016

1.13 Financial assets (Continued)

include the Branch experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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

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

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

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

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

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

Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the assets's carrying amount and the sum of the consideration received and

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

1.13 Financial assets (Continued)

receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.14 Financial Liabilities

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

Fair value through profit or loss

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

A financial liability is classified as held for trading if:

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

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

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

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

Other financial liabilities

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

1.14 Financial Liabilities (Continued)

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

Derecognition of financial liabilities

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

1.15 Contingent Liabilities and Contingent Assets

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

1.16 Land, Buildings, Plant and Equipment

Asset Recognition Threshold

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

Revaluations—Land and Buildings

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

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

1.16 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:

	2016	2015
Land & buildings	20 years	20 years
Plant and equipment	2.5 to 6 years	2.5 to 6 years

Derecognition

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

1.17 Impairment for non-financial assets

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

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

1.18 Taxation

The 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).

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

1.18 Taxation (Continued)

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

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

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

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

1.19 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

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

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

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

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

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the period ended 31 December 2016

1.20 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 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) 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 fair value disclosures, the Branch has determined classes of assets and liabilities based on the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.21 Going concern

The Branch has not received and is not reliant on financial support from any other entity to continue on a going concern basis. The Branch has not provided financial support to another entity.

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS
For the period ended 31 December 2016

Note 2 Events after the reporting period

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

	2016	2015
	\$	\$

Note 3 Income

Note 3A: Capitation fees

	-	-
Total capitation fees	<u>-</u>	<u>-</u>

Note 3B: Levies

	-	-
Total levies	<u>-</u>	<u>-</u>

Note 3C: Interest

Deposits	12,291	25,815
Loans	-	-
Total interest	<u>12,291</u>	<u>25,815</u>

Note 3D: Grants or donations

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

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	254,401	255,389
Superannuation	24,573	24,262
Leave and other entitlements	(7,540)	16,769
Separation and redundancies	-	-
Other employee expenses	14,305	29,009
Subtotal employee expenses holders of office	<u>285,739</u>	<u>325,429</u>

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the period ended 31 December 2016

	2016	2015
	\$	\$
Note 4A: Employee expenses (Continued)		
Employees other than office holders:		
Wages and salaries	226,584	236,374
Superannuation	20,385	22,437
Leave and other entitlements	(7,540)	11,230
Separation and redundancies	20,032	11,997
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	259,461	282,038
Total employee expenses	545,200	607,467

Note 4B: Capitation fees

Australian Education Union-Federal Office	55,547	65,677
Total capitation fees	55,547	65,677

Note 4C: Affiliation fees

NT Trades and Labour Council	-	10,386
Australia Asia Worker Links	-	200
Total affiliation fees/subscriptions	-	10,586

Note 4D: Administration expenses

Consideration to employers for payroll deductions	-	-
Compulsory levies (AUSED/AFE/publication levy, ACTU campaign levy)	6,561	7,994
Fees/allowances - meeting and conferences	5,312	4,542
Conference and meeting expenses	-	-
Contractors/consultants	80,014	82,432
Property expenses	30,794	33,285
Hire, plant and equipment	15,966	15,829
Fuel, light and power	10,889	10,232
Office expenses	5,087	5,409
Accrual expenses	51,114	31,964
Committee expenses	11,226	-
Information communications technology	17,017	20,118
	57,290	63,309

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

	2016	2015
	\$	\$
Note 4D: Administration expenses (Continued)		
Insurance	10,109	17,618
AEU expenses	18,445	22,024
Motor vehicle expenses	10,842	7,996
Travel and accommodation	34,067	34,250
Staff training expense	6,174	6,159
Specific project expenses (EBA, GONSKI, etc.)	17,307	18,685
Subtotal administration expense	<u>388,214</u>	<u>381,846</u>
Operating lease rentals:		
Minimum lease payments	4,018	8,439
Total administration expenses	<u>392,232</u>	<u>390,285</u>
Note 4E: Grants or donations		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	-	980
Total paid that exceeded \$1,000	1,236	-
Total grants or donations	<u>1,236</u>	<u>980</u>
Note 4F: Depreciation and amortisation		
Depreciation		
Land & buildings	-	-
Property, plant and equipment	24,527	23,481
Total depreciation	<u>24,527</u>	<u>23,481</u>
Amortisation		
Intangibles	-	-
Total amortisation	<u>-</u>	<u>-</u>
Total depreciation and amortisation	<u>24,527</u>	<u>23,481</u>
Note 4G: Finance costs		
Interest on finance lease	3,397	5,765
Bank charges/credit card merchant fee	6,809	6,808
Total finance costs	<u>10,206</u>	<u>12,573</u>

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)

For the period ended 31 December 2016

	2016	2015
	\$	\$
Note 4H: Legal costs		
Litigation	11,477	-
Other legal matters	8,698	28,276
Total legal costs	<u>20,175</u>	<u>28,276</u>

Note 4I: Other expenses

Penalties - via RO Act or RO Regulations	-	-
Payroll tax	31,005	30,754
Total other expenses	<u>31,005</u>	<u>30,754</u>

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash on hand	31	223
Cash at bank	328,830	232,986
Short term deposits	350,000	500,000
Other	-	-
Total cash and cash equivalents	<u>678,861</u>	<u>733,209</u>

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]	-	-
Total receivables from other reporting unit[s]	<u>-</u>	<u>-</u>
Less provision for doubtful debts	-	-
Total provision for doubtful debts	<u>-</u>	<u>-</u>
Receivable from other reporting unit[s] (net)	<u>-</u>	<u>-</u>

Note 5C: Other Current Assets

Accrued interest	-	4,369
Prepayment	7,427	-
Total other current assets	<u>7,427</u>	<u>4,369</u>

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
For the period ended 31 December 2016

	2016 \$	2015 \$
Note 6 Non-current Assets		
Note 6A: Land and buildings		
Land and buildings:		
fair value	580,000	320,389
accumulated depreciation	-	-
Total land and buildings	<u>580,000</u>	<u>320,389</u>

Reconciliation of the Opening and Closing Balances of Land and Buildings

As at 1 January		
Gross book value	320,389	320,389
Accumulated depreciation and impairment	-	-
Net book value 1 January	<u>320,389</u>	<u>320,389</u>
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	259,611	-
Impairments	-	-
Depreciation expense	-	-
Other movement [<i>give details below</i>]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 December	<u>580,000</u>	<u>320,389</u>
Net book value as of 31 December represented by:		
Gross book value	580,000	320,389
Accumulated depreciation and impairment	-	-
Net book value 31 December	<u>580,000</u>	<u>320,389</u>

The revalued land and buildings consists of land valued at \$165,000 and building valued at \$415,000. Management determined that the revalued land and buildings consist of one class of asset under AASB 13, based on the nature, characteristics and risks of the property. Also, refer note 16 b.

Note 6B: Plant and equipment

Plant and equipment:		
at cost	280,944	275,721
accumulated depreciation	(218,471)	(193,944)
Total plant and equipment	<u>62,473</u>	<u>81,777</u>

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

	2016 \$	2015 \$
Note 6B: Plant and equipment (Continued)		
<i>Reconciliation of the Opening and Closing Balances of Plant and Equipment</i>		
As at 1 January		
Gross book value	275,721	270,330
Accumulated depreciation and impairment	(193,944)	(170,463)
Net book value 1 January	81,777	99,867
Additions:		
By purchase	5,223	5,391
Impairments	-	-
Depreciation expense	(24,527)	(23,481)
Other movement	-	-
Disposals:		
Net book value 31 December	62,473	81,777
Net book value as of 31 December represented by:		
Gross book value	280,944	275,721
Accumulated depreciation and impairment	(218,471)	(193,944)
Net book value 31 December	62,473	81,777

Note 6C: Other Investments

Deposits	-	-
Investment in shares	10	10
Total other investments	10	10

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	8,223	23,995
Subtotal trade creditors	8,223	23,995
Payables to other reporting unit[s]	-	-
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	8,223	23,995

Settlement is usually made within 30 days.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

	2016 \$	2015 \$
Note 7B: Other payables		
Wages and salaries	-	17,884
Superannuation	8,468	11,694
Consideration to employers for payroll deductions	-	-
Legal costs (accrual)	8,880	-
GST payable	19,505	27,496
PAYG Withholding Payable	22,225	-
Accrual Liability	2,346	-
Other	3,392	4,935
Total other payables	64,816	62,009

Total other payables are expected to be settled in:

No more than 12 months	64,816	62,009
More than 12 months	-	-
Total other payables	64,816	62,009

Note 7C: Finance lease liability

Current portion of finance lease	10,012	9,355
Total current portion of finance lease	10,012	9,355

Note 8 Provisions

Note 8A: Employee Provisions

Office Holders:

Annual leave	30,202	23,347
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—office holders	30,202	23,347

Employees other than office holders:

Annual leave	5,954	27,888
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
Subtotal employee provisions—employees other than office holders	5,954	27,888

Total employee provisions

36,156	51,235
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**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

2016	2015
\$	\$

Note 8A: Employee Provisions (Continued)

Current	36,156	51,235
Non-Current	-	-
Total employee provisions	36,156	51,235

Note 9 Non-current liabilities

Note 9A: Finance lease liability

Non-current portion of finance lease	25,867	35,879
Total other non-current liabilities	25,867	35,879

Note 10 Equity

Note 10A: Funds

General Fund

Balance as at Start of year

Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Revaluation Reserve

Balance as at Start of year

Transferred to reserve	259,611	-
Transferred out of reserve	-	-
Balance as at end of year	259,611	-
Total Reserves	259,611	-

Note 10B: Other Specific disclosures- Funds

**Compulsory levy / voluntary contribution fund- if
Invested in assets**

[list name of fund or account]	-	-
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**NT BRANCH OF AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

	2016 \$	2015 \$
NOTE 10B: Other Specific disclosures- Funds (Continued)		
Other fund(s) required by rules		
[list name of fund or account]		
Balance as at Start of year		
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	<u>-</u>	<u>-</u>

Note 11 Cash Flow

Note 11A: Cash Flow Reconciliation

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

Cash and cash equivalents as per:

Cash flow statement	678,861	733,209
Balance sheet	678,861	733,209
Difference	<u>-</u>	<u>-</u>

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

Profit/(loss) for the year	(33,195)	(116,117)
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Adjustments for non-cash items

Depreciation/amortisation	24,527	23,481
Interest in finance lease	3,397	5,765
Loss on disposal of property, plant and equipment	-	-
Fair value movements in investment property	-	-

Changes in assets/liabilities

(Increase)/decrease in net receivables	(3,058)	(4,369)
Increase/(decrease) in supplier payables	(15,772)	(8,491)
Increase/(decrease) in other payables	2,807	30,607

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
For the period ended 31 December 2016

	2016	2015
	\$	\$
Note 11A: Cash Flow Reconciliation (Continued)		
Increase/(decrease) in employee provisions	(15,079)	17,779
Increase/(decrease) in other provisions	-	-
Net cash from (used by) operating activities	(36,373)	(51,345)

Note 11B: Cash flow information

Cash inflows

Other reporting units	-	-
Total cash inflows	-	-

Cash outflows

Other reporting units	-	-
Total cash outflows	-	-

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

Operating lease commitments—as lessee - -

The Branch is not entered any non-cancellable operating lease commitments as at 31 December 2016 (31 December 2015: Nil)

Capital commitments

At 31 December 2016 the Branch has no capital commitments (31 December 2015: Nil).

Finance lease commitments—as lessee

Within one year	12,748	12,748
After one year but not more than five years	28,763	41,511
More than five years	-	-
Total minimum lease payments	41,511	54,259
Less amounts representing finance charges	(5,632)	(9,025)
Present value of minimum lease payments	35,879	45,234

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

	2016 \$	2015 \$
Note 12A: Commitments and Contingencies (Continued)		
Finance lease payable-current portion	10,012	9,355
Finance lease payable-non-current portion	25,867	35,879
Total finance lease payable	35,879	45,234

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

Management has confirmed that there were no contingent assets or liabilities as at 31 December 2016 (31 December 2015: Nil)

Note 13 Related Party Disclosures

Note 13A: Related Party Transactions for the Reporting Period

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

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

Short-term employee benefits

Salary (including annual leave taken)	254,401	255,389
Annual leave accrued	(7,540)	16,769
Superannuation	24,573	24,262
Total short-term employee benefits	271,434	296,420

Post-employment benefits:

Superannuation	-	-
Total post-employment benefits	-	-

Other long-term benefits:

Long-service leave	-	-
Total other long-term benefits	-	-

Termination benefits

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

There were no transactions (other than as disclosed above) during the year ended 31 December 2016 (2015: Nil).

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
For the period ended 31 December 2016

	2016 \$	2015 \$
Note 14 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services	8,400	8,420
Other services	-	-
Total remuneration of auditors	<u>8,400</u>	<u>8,420</u>

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

Note 15 Financial Instruments

Note 15A: Categories of Financial Instruments

Financial Assets

Available-for-sale assets: fair value

Investment in shares fair value	10	10
Total	<u>10</u>	<u>10</u>

Loans and receivables:

Cash and Bank	678,861	733,209
Accrued interest receivable	-	4,369
Total	<u>678,871</u>	<u>737,578</u>

<i>Carrying amount of financial assets</i>	<u>678,871</u>	<u>737,588</u>
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Financial Liabilities

Fair value through profit or loss:

Total	<u>-</u>	<u>-</u>
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Other financial liabilities:

Accounts payable and other payables	73,039	86,004
Finance lease payable	35,879	45,234
Total	<u>108,918</u>	<u>131,238</u>

<i>Carrying amount of financial liabilities</i>	<u>108,918</u>	<u>131,238</u>
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**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

	2016 \$	2015 \$
Note 15B: Net Income and Expense from Financial Assets		
Loans and receivables		
Interest revenue	12,291	25,815
Net gain/(loss) from loans and receivables	12,291	25,815
Net gain/(loss) from financial assets	12,291	25,815

Note 15C: Net Income and Expense from Financial Liabilities

At amortised cost		
Interest expense	3,397	5,765
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
Net gain/(loss) financial liabilities - at amortised cost	3,397	5,765
Net gain/(loss) from financial liabilities	3,397	5,765

Note 15D: Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the registered organisation. The registered organisation does not have any material risk exposures as its major source of revenue is the receipt of membership fees. As at 31 December 2016 there were no outstanding trade receivables (2015: Nil).

Note 15E: Liquidity Risk

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

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
For the period ended 31 December 2016

Note 15E: Liquidity Risk (Continued)

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & other payables	-	73,039	-	-	-	73,039
Finance lease payables	-	12,748	12,748	16,015	-	41,511
Total	-	85,787	12,748	16,015	-	114,550

Contractual maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & other payables	-	86,004	-	-	-	86,004
Finance lease payables	-	12,748	12,748	28,763	-	54,259
Total	-	98,752	12,748	28,763	-	140,263

Note 15F: Market Risk

Interest rate risk

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

Fixed rate instruments	2016	2015
	\$	\$
Financial assets	350,000	500,000
Financial liabilities	35,879	45,234

Price risk

The Branch is not exposed to price risk.

Currency risk

The Branch is not exposed to currency risk.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

	2016	2015
	\$	\$
Note 15G: Asset Pledged as Collateral		
Assets pledged as collateral		
Financial assets pledged as collateral:		
Motor vehicle	35,879	45,234
Total assets pledged as collateral	35,879	45,234

Note 16 Fair Value Measurement

Note 16A: Financial Assets and Liabilities

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

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

- Fair values of the Branch's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2016 was assessed to be insignificant.
- Amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2016 \$	Carrying amount 2015 \$
Financial Assets		
Cash and Bank	678,861	733,209
Other current assets	-	4,369
Available for sale asset	10	10
Total	678,871	737,588
Financial Liabilities		
Trade and other payables	73,039	86,004
Finance lease liability	35,879	45,234
Total	108,918	131,238

Note: The fair value of financial assets and financial liabilities is not materially different than their carrying value as at 31 December 2016 and 31 December 2015.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

Note 16B: 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 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and building	2016	-	580,000	
Investment in shares	2014	-	10	-
Total			580,010	

Property (Unit 3 of Lot 9446 Town of Nightcliff from Plan UP 92/035, Volume 694 Folio 584) was valued by an independent valuer (*a Licensed Certified Practising Valuer*) on 17 March 2017 using 'Direct Comparison Approach'. Management believes that the value of property was not significantly different as at 31 December 2016 than the value as determined by the valuer on 17 March 2017.

Liabilities measured at fair value

Nil		-	-	-
Total		-	-	-

Fair value hierarchy –31 December 2015

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		\$	\$	\$
Land and building	2011	-	320,000	-
Investment in shares	2014	-	10	-
Total		-	320,010	-
Liabilities measured at fair value				
Nil		-	-	-
Total		-	-	-

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
NOTES TO THE FINANCIAL STATEMENT (CONTINUED)**

For the period ended 31 December 2016

Note 17: Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or General Manager:

- (1) A member of the Branch, or the General Manager, may apply to the Branch for specified prescribed information in relation to the Branch to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Branch.
- (3) The Branch must comply with an application made under subsection (1).