



22 July 2019

Adam Lampe  
Branch Secretary  
Australian Education Union-Northern Territory Branch

Sent via email: [secretary@aeunt.org.au](mailto:secretary@aeunt.org.au)  
CC: [nclifford@nexiaem.com.au](mailto:nclifford@nexiaem.com.au)

Dear Adam Lampe,

**Australian Education Union-Northern Territory Branch  
Financial Report for the year ended 31 December 2018 – (FR2018/353)**

I acknowledge receipt of the financial report of the Australian Education Union-Northern Territory Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 28 June 2019.

The financial report has now been filed.

The financial report was filed based on a primary review. This involved confirming that 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 (**RGs**) have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2019 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged. I make the following comments to assist you when you next prepare a financial report. The ROC will confirm these concerns have been addressed prior to filing next year's report.

**General purpose financial report (GPFR)**

Officer's declaration statement – to include all nil activity disclosures not elsewhere disclosed.

Item 21 of the RGs states that if any of the activities identified within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included either in the financial statements, the notes or in the officer's declaration statement. I note that the officer's declaration statement includes the following nil activity disclosures for which there was already an equivalent form of disclosure in the body of the notes:

- "Agreeing to receive financial support from another reporting unit to continue as a going concern" and "agreeing to provide financial support to another reporting unit to ensure they continue as a going concern" are disclosed in the Note 1.21 and the officer's declaration statement;

- "Receiving capitation fees from another reporting unit" is disclosed in the statement of comprehensive income, Note 3A and the officer's declaration statement;
- "Receiving revenue via compulsory levies" is disclosed in the statement of comprehensive income, Note 3B and the officer's declaration statement;
- "Receiving donations or grants" is disclosed in the statement of comprehensive income, Note 3E and the officer's declaration statement;
- "Incurring fees as consideration for employers making payroll deductions of membership subscriptions" is disclosed in both Note 4D and the officer's declaration statement;
- "Paying a grant that was \$1,000 or less", "paying a grant that exceeded \$1,000" and "paying a donation that exceeded \$1,000" are disclosed in both Note 4E and the officer's declaration statement;
- "Paying legal costs relating to litigation" is disclosed in both Note 4H and the officer's declaration statement;
- "Paying a penalty imposed under the RO Act or the *Fair Work Act 2009*" is disclosed in both Note 4K and the officer's declaration statement;
- "Having a receivable with another reporting unit" is disclosed in both Note 5B and the officer's declaration statement;
- "Having a payable with another reporting unit" is disclosed in both Note 7A and the officer's declaration statement;
- "Having a payable to employer as consideration for that employer making payroll deduction of membership subscription", "having a payable in respect of legal costs relating to litigation" and "having a payable in respect of legal costs relating to other legal matters" are disclosed in both Note 7B and the officer's declaration statement;
- "Having a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch" and "transferring to or withdrawing from a fund (other than the general fund), account, asset or controlled entity" are disclosed in both Note 10B and the officer's declaration statement;
- "Receiving cash flows from another reporting units and/or controlled entity" and "providing cash flows to another reporting units and/or controlled entity" are disclosed in the cash flows statement, Note 11B and the officer's declaration statement; and
- "Having another entity administer the financial affairs of the reporting unit" is disclosed in both Note 17 and the officer's declaration statement.

Please note that nil activities only need to be disclosed once.

#### Inconsistency in disclosures of financial information

The statement of changes in equity discloses a balance of retained earnings of \$897,801 for the 2018 financial year (2017: \$930,139). The officer's declaration statement includes a nil disclosure in relation to a balance in the general fund. It would appear that retained earnings is the reporting unit's general fund.

The statement of comprehensive income and Note 4C disclose affiliation fees expenses of \$11,066 for the 2018 financial year (2017: \$9,386). The officer's declaration statement, however includes a nil disclosure of paying affiliation fees to another entity.

Note 4B *Capitation fees* disclose capitation fees expenses to the Australian Education Union – Federal Office of \$54,562 for the 2018 financial year (2017: \$45,835). The officer's declaration statement, however, includes nil disclosures for both providing cash flows to another reporting unit and/or controlled entity and having payable with another reporting unit.

In future years, please ensure that items within the financial report are disclosed consistently.

### Recovery of wages disclosure

Please note that under the 5<sup>th</sup> edition of the RGs made under section 255 of the RO Act issued 4 May 2018 a recovery of wages activity statement is no longer required. Furthermore, the RGs no longer require a statement in regard to recovery of wages activity in the committee of management statement.

In place of the former requirements, item 13(e) of the 5<sup>th</sup> edition RGs requires the disclosure of any revenue derived from undertaking recovery of wages activity in either the statement of comprehensive income or the notes to the financial statements. RG 21 states that if any activity described within items 10-20 of the RGs have not occurred in the reporting period, a statement to this effect must be included in the financial statements, the notes or in an officer's declaration statement.

### Use of model financial statements

I note that the reporting unit has prepared its GPFR using the model financial statements available on the ROC website. Please note the introduction on page 2 of the model financial statements which states:

*'a reporting unit will need to ensure that only the disclosures that are applicable to their individual circumstances are included in the audited financial report distributed to members and lodged with the Registered Organisations Commission.'*

The audited financial report lodged with the ROC contains disclosures that are NOT applicable to the reporting unit and it would appear that the model statements have been replicated in their entirety without a review by the reporting unit to ensure they accurately reflect the operations of the branch. I also note that items that are required to be disclosed in accordance with the guidelines have been included twice, within the main statements and within individual notes. This has led to the financial report being longer than necessary. The financial report also contains irrelevant information on the reporting unit's accounting policies.

Please ensure in future years that the financial report contains only information that is applicable to the reporting unit's circumstances and that is mandatory according to the RGs.

### References to legislation and the ROC

Following the enactment of the *Fair Work (Registered Organisations) Amendment Act 2016*, the ROC is the new regulator for registered organisations, with effect from 1 May 2017. All references to the Fair Work Commission and General Manager must be changed to the Registered Organisations Commission and Commissioner except in relation to declaration (e)(vi) in the committee of management statement.

I note that Note 18 *Section 272 Fair Work (Registered Organisations) Act 2009* refers to the General Manager instead of the Commissioner. I also note that item (e)(vi) in the committee of management statement refers to the Registered Organisation Commission instead of the Fair Work Commission.

## **Operating report**

### Prescribed information in Operating report

Regulation 159(c) requires an operating report to contain the name of each person who has been a member of the committee of management of the reporting unit at any time during the reporting period, and the period for which he or she held such a position. The ROC takes the words "at any time" to mean that all persons, whether they held their position for the full year or for part of the year, must be included.

I note that the following names appeared in the previous year's operating report but did not appear in this year's operating report.

- Grace Tongatua
- Bernie Gleeson
- Ken Guest
- Sheryl Fotakis

There was no indication that the abovementioned names had resigned during, or at the end of, the previous year, and without any such indication the question arises whether their names have been inadvertently omitted.

In future years, please ensure that all persons are included and the periods for which they held their position are clearly indicated.

### **Reporting Requirements**

The ROC website provides a number of factsheets in relation to the financial reporting process and associated timelines. The website also contains the s.253 RGs and a model set of financial statements.

The ROC recommends that reporting units use these model financial statements to assist in complying with the RO Act, the s.253 RGs and Australian Accounting Standards. Access to this information is available via [this link](#).

If you have any queries regarding this letter, please contact me on (03) 9603 0764 or via email at [kylie.ngo@roc.gov.au](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Kylie', written over a horizontal line.

**Kylie Ngo**  
**Registered Organisations Commission**

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
DESIGNATED OFFICER'S CERTIFICATE  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

- that the documents lodged herewith are copies of the full report for the NT Branch of the Australian Education Union for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on 31st May 2019; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 21st June 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

*A. Lampe*

**Adam Lampe, Branch Secretary**

Dated: 28.06.19

AEU Northern Territory



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**ABN 64 406 978 451**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**ABN 64 406 978 451**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

**FINANCIAL REPORT**

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

I have audited the accompanying financial report, of NT Branch of the Australian Education Union ("the Branch"), which comprises the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2018, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255 (2A) report and the Officer Declaration Statement.

In my opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the NT Branch of the Australian Education Union as at 31 December 2018 and of its performance and cash flows for the year then ended in accordance with:

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

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

**Basis for Opinion**

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

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

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

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

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

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

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



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

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

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

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

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

I declare that I am a Registered Company Auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.



Nexia Edwards Marshall NT  
Chartered Accountants



Noel Clifford  
Partner  
Darwin

Dated this 29 May 2019

Registration number- AA2018/11



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
DESIGNATED OFFICER'S CERTIFICATE  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

- that the documents lodged herewith are copies of the full report for the NT Branch of the Australian Education Union for the period ended referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report was provided to members of the reporting unit on ..... 2019; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on ..... 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer:.....

**Adam Lampe, Branch Secretary**

Dated: .....

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
 REPORT REQUIRED UNDER SUBSECTION 255 (2A)  
 FOR THE YEAR ENDED 31 DECEMBER 2018**

The Committee of Management presents the expenditure report<sup>1</sup> as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

Descriptive form

<b>Categories of expenditures</b>	<b>2018 \$</b>	<b>2017 \$</b>
Remuneration and other employment-related costs and expenses - employees	751,446	670,461
Advertising	3,351	3,492
Operating costs	553,762	517,928
Donations to political parties	-	-
Legal costs	5,498	5,490

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

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

Your Committee members present their report on the Branch for the financial year ended 31 December 2018.

**Committee members**

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

Jarvis Ryan	Branch President
Adam Lampe	Branch Secretary
Stephen Pelizzo	Vice-President (General)
Delean Holtze	Vice-President (TAFE)
Julie Danvers	Treasurer
Alyson Kavanagh	Women's Officer
Cassandra Brown	Councillor representing Indigenous members
Paula Thornton	Regional Councillor
Bruce Cameron	Regional Councillor
Barry George	Regional Councillor
Glynis Hester	Regional Councillor
Linda Hyland	Regional Councillor
Michael Stimpson	Regional Councillor
Carly Phillips	Regional Councillor
Peter Corke	Regional Councillor
Dennis Venning	Regional Councillor (commenced 21/8/18)
Bob Skidmore	Regional Councillor (resigned 1/8/18)
Candace Loane	Regional Councillor (commenced 8/11/18)
Anthony Brereton	Regional Councillor (resigned 29/10/18)
Deborah Lamb	Regional Councillor (commenced 26/11/18)
Melody O'Meara	Regional Councillor (resigned 5/12/18)
Daniel Yore	Regional Councillor (commenced 5/12/18)

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

**Principal activities**

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

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

The core day-to-day activity of the Branch office continued to be providing support to members with individual issues relating to their employment. During 2018 the Branch office recorded 180 (down from more than 250) cases where officers and staff of the union provided assistance to members, of which about 40% comprised issues relating to pay and conditions, with the remainder related to disciplinary matters, workload, workers' compensation claims, grievances, bullying and harassment,

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

work health and safety, performance management and staff selection procedures. We believe a decline in the number of cases handled in 2018 is at least partially attributable to the success of sub-branch delegate training, so that more issues were being resolved at the workplace instead of being referred to the AEUNT office.

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. Senior officers met monthly with the NT Minister for Education and Chief Executive of the Department of Education to raise concerns and work on developing policies and actions to improve conditions for members as well as the state of public education.

Additionally, the Branch adopted continues to pursue a number of priority areas in 2018, which had been endorsed by Branch Executive and annual Branch Conference during the previous year:

- Reducing workloads
- Enterprise bargaining
- Securing needs-based school funding
- Increasing secure employment
- Promoting safety, security and wellbeing at work

The focus area of reducing workloads was in line with concerns raised by the teaching profession across Australia; namely that workloads were continuing to grow with no sign of abating. A member survey revealed that 56% of members worked more than 50 hours per week during term time. There was an attempt by the employer to introduce further responsibilities for teacher during stand down periods. This was successfully resisted by the AEU NT in the new enterprise agreement. Indeed, a new provision for workplace consultative committees, which are designed to address local school-based workload issues, was introduced in the new enterprise agreement. There is also an undertaking embedded in the new agreement that the employer and the AEU NT revise the *Teacher Responsibilities Guide*, a document which defines teacher workloads in the Northern Territory.

A major focus of union activity was undertaking enterprise bargaining for three of the four main groups of employees we represent: Department of Education teachers and assistant teachers, vocational lecturers at Charles Darwin university and lecturers and tutors at the Batchelor Institute. The AEU NT achieved outstanding results for its members with a new enterprise agreement, which will be in place until October 2021. It includes 2.5% per annum salary increases, backdated to October 2017, and an additional increase for early childhood teachers-in-charge. There are also provisions in the agreement to increase secure employment via a permanency project, as well increased access to dispute provisions for the union to challenge the employer's excessive use of fixed period employment. Also facilitating job security and employee wellbeing is a new transfer policy, developed collaboratively with the employer under the auspices of the new agreement.

The new teachers and assistant teachers' enterprise agreement was achieved through a collaborative bargaining process which avoided costly and damaging industrial action, and which achieved an agreement overwhelmingly accepted by union members and education department employees alike.

A new agreement was also struck between the combined unions and Charles Darwin University. By collaborating with the National Tertiary Education Union, the AEU NT was able to secure a decent pay increase for lower wage earners, without an erosion of conditions, thereby keeping the university as a competitive employer in the national market. Bargaining at the Batchelor Institute continued into 2019.



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

Our focus on securing genuine needs-based school funding continues to involve placing pressure on both the Federal and Northern Territory governments. In the case of the Territory Government, the union sought additional resourcing for schools as well as greater equity and transparency in how those resources were allocated.

The Federal Government contributes a significant proportion of the NT's education budget, and the NT's most remote schools are especially reliant on this funding. The AEUNT continues to resist the federal government's reduction in public school funding through the Fair Funding Campaign, in collaboration with other AEU branches and the federal AEU. The union continues to oppose federal government arrangements which lock in preferential treatment of non-government schools and impose an arbitrary funding level of each school sector, irrespective of need. For the public system the Federal Government has agreed to fund just 20% of the Schooling Resourcing Standard over the next decade, with state and territory governments expected to fund at least 75%. As the Territory currently relies on the Federal Government to fund 23% of the SRS, this new legislation locks in funding cuts over a 10-year period to the most disadvantaged schooling sector in the country. The AEU has resolved at a federal level to continue our campaign for fair school funding for as long as it takes, and this will continue to be a focus of our work up until the next federal election and likely beyond.

The safety of our members remains a critical issue, with data collected by the Department as well as our own incident reporting showing that verbal and physical assaults and threats against teaching staff by students remained unacceptably high. The union made significant inroads in changing Departmental policies and procedures so that the employer complied with the NT regulatory requirements regarding occupational health and safety. There was a corresponding increase in workplace health and safety officers in schools as a result.

**Results of activities**

2018 was a very successful year for our Branch, with the union negotiating significant improvements for the core of our teacher membership. In addition to the gains in bargaining summarised above, the continuation of the Department's Permanency Project saw approximately 280 classroom teachers on contract converted to ongoing status. This project will continue in 2019 and the AEU will continue negotiations with the employer to maximise opportunities for our members to secure permanent employment.

The union continued to have a strong emphasis on workplace recruitment and organization. The two Project Officers undertook AEU federal Organiser training and were re-employed in the position of Organisers. The union commenced a regular schedule of training of workplace representatives to strengthen the capacity of workplace delegates to advocate on behalf of members and further the goals of the AEU.

The Project Officer program finished in the middle of the year as an unqualified success, with 542 new members recruited and 174 resigned members reactivated over the life of the project (which commenced in January 2017). The number of new members recruited through the year was 375. More than half of the total, 191, was from workplace visits. The Project Officers/Organisers and other AEU officers visited 114 workplaces in total, many more than once.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

Recruitment Source (2018)	Number of recruits	Proportion of total
Induction	67	18%
Joined due to current issue	13	3%
Online application	61	16%
Referral	41	11%
Sub-Branch Visit	191	51%
Other	2	1%
<b>TOTAL</b>	<b>375</b>	<b>100%</b>

An important part of the Project Officers' work was in promoting and engaging members in the enterprise bargaining process. In the first half of 2018, Project Officers travelled to schools across the Northern Territory to make sure that every region was represented in the EA report back process. A total of 683 members from 94 sub-branches took part in the regional and sub-branch meetings to vote on endorsing the offer, with 96% of those in support of the union's position.

In the second half of 2018 Organisers identified that sub-branches required training for their union representatives to improve membership and to better respond to concerns at the level of the sub-branch. The Organisers ran three training courses for sub-branch representatives in Alice Springs, Darwin, Palmerston and one for Arnhem Region representatives. Representatives from remote schools were provided with assistance in getting in to attend the trainings and paid time off work. Engagement in these training sessions was very high, with 53 representatives taking part. This training was positively received and all of the attendees said that they would utilize the skills they had developed and endorse the training to their colleagues.

Organisers also arranged visits to remote regions to engage with Indigenous members build the organising capacity of numerous remote sub-branches. Two trips were completed in the second half of the year, one to remote schools through Arnhem Land and another to the schools west of Katherine. In these two visits the Organisers were able to support sub-branches and strengthen the links between schools in the region as well as recruit large numbers of members. Two formal reports into industrial working conditions and concerns in the regions were filed as a result of these trips. Both reports were endorsed by the Branch Executive and tabled with the Department of Education.

As a result of communication with members the union has taken a proactive approach to advocating for improved work health and safety practices in schools. The union worked with the Independent Education Union (IEU) to make a professional and detailed submission to the Best Practice Review of Workplace Health and Safety in the NT. The focus on this important part of industrial law and workplace practice is leading to more workers electing Health and Safety Representatives in their workplaces.

One indicator of the continued strength of sub-branch organisation was the success of our annual Branch Conference held in Darwin over the May Day weekend. The Conference was attended by 95 registered Delegates and members of Branch Executive, considering more than 70 items put forward for discussion by the Executive and sub-branches.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

The AEU NT continued to oppose the Global School Budgets model. Our central critique of it is that it is a glorified accounting mechanism which leaves principals with too many financial responsibilities, at the expense of educational leadership. It also creates a situation where many principals prefer to hire inexperienced teachers due to the higher salary costs of experienced teachers. This has a direct influence on the quality of education delivery across the NT. The union was able to lobby successfully for some improvements to the model, for example with the Department committing to recentralising greater levels of financial responsibility for employees on extended personal leave.

In the legislative arena, the AEU collaborated with the IEU as primary stakeholders in an extensive consultation process to reform the NT *Teacher Registration Act*. Our unions worked closely with representatives from the Teacher Registration Board and Department of Education to ensure that changes to the Act maintained high professional standards and ensured appropriate natural justice protections for our members.

**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.



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

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

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

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

(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; 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 affected 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 affected 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 2018 was 1899 (the equivalent figure for 2017 was 1918).

The number of full-time equivalent employees of the Branch in 2018 was six, including two elected full-time officers.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2018**

**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 organization.

**Operating results**

The loss of the Branch for the financial year after providing for income tax of Nil amounted to \$32,338 (2017 profit: \$6,053).

**After balance date events**

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

Signed in accordance with a resolution of the Branch Executive:



Adam Lampe – Branch Secretary

Dated 9.05.19

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2018**

On 3 May 2019 the Committee of Management of the NT Branch of the Australian Education Union passed the following resolution in relation to the general-purpose financial report (GPFR) for the year ended 31 December 2018:

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and
  - (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

  
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Adam Lampe – Branch Secretary

Dated 9.05.19

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 31 December 2018*

	Notes	2018 \$	2017 \$
<b>Revenue</b>			
Membership subscription		1,271,787	1,192,062
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	9,932	9,293
Other revenue		-	2,069
<b>Total revenue</b>		<b>1,281,719</b>	<b>1,203,424</b>
<b>Other Income</b>			
Grants and/or donations	3E	-	-
<b>Total other income</b>		<b>-</b>	<b>-</b>
<b>Total income</b>		<b>1,281,719</b>	<b>1,203,424</b>
<b>Expenses</b>			
Employee expenses	4A	751,446	670,461
Capitation fees	4B	54,562	45,835
Affiliation fees	4C	11,066	9,386
Administration expenses	4D	391,680	377,389
Grants or donations	4E	955	1,023
Depreciation and amortisation	4F	33,144	31,928
Finance costs	4G	8,049	9,030
Legal costs	4H	5,498	5,490
Audit fees	14	14,442	9,200
Other expenses	4K	43,215	37,629
<b>Total expenses</b>		<b>1,314,057</b>	<b>1,197,371</b>
<b>Surplus (deficit) for the year</b>		<b>(32,338)</b>	<b>6,053</b>
<b>Other comprehensive income</b>			
Gain on revaluation of land & buildings		-	-
<b>Total comprehensive income for the year</b>		<b>(32,338)</b>	<b>6,053</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF FINANCIAL POSITION**  
*as at 31 December 2018*

	Notes	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	672,212	722,459
Trade and other receivables	5B	5,012	4,100
Other current assets	5C	10,739	11,561
<b>Total current assets</b>		<b>687,963</b>	<b>738,120</b>
<b>Non-Current Assets</b>			
Land and buildings	6A	563,400	571,700
Plant and equipment	6B	56,233	46,640
Other investments	6F	10	10
<b>Total non-current assets</b>		<b>619,643</b>	<b>618,350</b>
<b>Total assets</b>		<b>1,307,606</b>	<b>1,356,470</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	10,199	14,917
Other payables	7B	60,537	78,963
Employee provisions	8A	63,847	46,972
Finance lease-current portion	7C	15,611	9,957
<b>Total current liabilities</b>		<b>150,194</b>	<b>150,809</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	-	-
Other non-current liabilities	9A	-	15,911
<b>Total non-current liabilities</b>		<b>-</b>	<b>15,911</b>
<b>Total liabilities</b>		<b>150,194</b>	<b>166,720</b>
<b>Net assets</b>		<b>1,157,412</b>	<b>1,189,750</b>
<b>EQUITY</b>			
General funds	10A	-	-
Retained earnings		897,801	930,139
Revaluation reserve	10A	259,611	259,611
<b>Total equity</b>		<b>1,157,412</b>	<b>1,189,750</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF CHANGES IN EQUITY**  
*for the year ended 31 December 2018*

	Notes	General funds \$	Retained earnings \$	Revaluation reserve	Total equity \$
<b>Balance as at 1 January 2017</b>		-	924,086	259,611	1,183,697
Adjustment for errors		-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-
Surplus / (deficit)		-	6,053	-	6,053
Other comprehensive income		-	-	-	-
Gain on revaluation of land and buildings		-	-	-	-
Transfer to/from <i>[insert fund name]</i>	10A	-	-	-	-
Transfer from retained earnings		-	-	-	-
<b>Closing balance as at 31 December 2017</b>		-	<b>930,139</b>	<b>259,611</b>	<b>1,189,750</b>
Adjustment for errors		-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-
Surplus / (deficit)		-	<b>(32,338)</b>	-	<b>(32,338)</b>
Other comprehensive income		-	-	-	-
Gain on revaluation of land and buildings		-	-	-	-
Transfer to/from <i>[insert fund name]</i>	10A	-	-	-	-
Transfer from retained earnings		-	-	-	-
<b>Closing balance as at 31 December 2018</b>		-	<b>897,801</b>	<b>259,611</b>	<b>1,157,412</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 31 December 2018*

	Notes	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	11B	-	-
Receipts		1,266,125	1,190,031
Interest		6,620	9,293
Other		-	-
<b>Cash used</b>			
Employees		(729,343)	(661,818)
Suppliers		(547,003)	(473,366)
Payment to other reporting units/controlled entity(s)	11B	-	-
<b>Net cash from (used by) operating activities</b>	11A	<b>(3,601)</b>	<b>64,140</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		(34,437)	(7,795)
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		<b>(34,437)</b>	<b>(7,795)</b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		(10,257)	(10,011)
Interest paid		(1,952)	(2,736)
<b>Net cash from (used by) financing activities</b>		<b>(12,209)</b>	<b>(12,747)</b>
<b>Net increase (decrease) in cash held</b>		<b>(50,247)</b>	<b>43,598</b>
Cash & cash equivalents at the beginning of the reporting period		722,459	678,861
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>672,212</b>	<b>722,459</b>

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 2018*

	2018	2017
	\$	\$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-
Number of workers to which the monies recovered relates	-	-
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>		
Nil	-	-



## **Index to the Notes of the Financial Report**

Note 1	Summary of significant accounting policies
Note 2	Events after the reporting period
Note 3	Income
Note 4	Expenses
Note 5	Current assets
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Note 7	Current liabilities
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Note 13	Related party disclosures
Note 14	Remuneration of auditors
Note 15	Financial instruments
Note 16	Fair value measurements
Note 17	Administration of financial affairs by a third party
Note 18	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

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

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

The financial statements are general purpose financial statements and have been prepared in accordance with the Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. 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 an independent registered valuer to value its property. Further detail on the determination of fair values of land and buildings is set out in note 16 B.

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

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

The Committee reviews its property and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of comprehensive income, the Committee makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property and equipment. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment. At 31 December 2016, the Committee reviewed the key assumptions made by an independent valuer in their valuation. They have concluded that they are satisfied that the carrying value does not exceed the recoverable amount of land and buildings as at 31 December 2018.

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

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

## 1.4 New Australian Accounting Standards

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

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

The Branch applied AASB 9 for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in 2018, but do not have an impact on the financial statements of the Branch. The Branch has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

### **AASB 9 Financial Instruments**

AASB 9 Financial Instruments replaces AASB 139 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Branch has applied AASB 9 with Business Model test, Assessment based on the facts and circumstances that exist at the date on the initial application, irrespective of the facts and circumstances existing in previous periods.

#### **(a) Classification and measurement**

Under AASB 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI. The classification is based on two criteria: the Branch's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The classification and measurement requirements of AASB 9 did not have a significant impact on the Branch. The Branch continued measuring at fair value all financial assets previously held at fair value under AASB 139.

The Branch has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Branch's financial liabilities.

#### **(b) Impairment**

The adoption of AASB 9 has changed the Branch's accounting for impairment losses for financial assets by replacing AASB 139's incurred loss approach with a forward-looking expected credit loss (ECL) approach. AASB 9 requires the Branch to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets.

Upon the adoption of AASB 9, the Branch did not recognise any additional impairment on the Branch's Trade receivables and Debt instruments at fair value through OCI.

### 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 15 Revenue from Contracts with Customers	AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131 Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued 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	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's financial statements. The Branch will make a more detailed assessment of the impact over the next twelve months. However preliminary assessments indicate that the implementation of AASB 15 is unlikely to have a significant impact on the Branch.	Must be applied for financial years commencing on or after 1 January 2019.

	<p>principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation</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</p>		
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	<p>timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.</p>		
<p>AASB 16 Leases</p>	<p>The key features of AASB 16 are as follows:</p> <ul style="list-style-type: none"> <li>• Lessee accounting</li> <li>• 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.</li> <li>• 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.</li> <li>• AASB 16 contains disclosure requirements for lessees.</li> <li>• Lessor accounting</li> <li>• AASB 16 substantially carries forward the lessor accounting requirements in AASB 117.</li> </ul> <p>Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.</p> <ul style="list-style-type: none"> <li>• 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.</li> </ul>	<p>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's financial statements. The Branch will make more detailed assessments of the impact over the next twelve months.</p> <p>However as the Branch has no existing operating lease contracts, the implementation of AASB 16 is unlikely to have a significant impact on the Branch.</p>	<p>Must be applied for financial years commencing on or after 1 January 2019.</p>

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

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

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

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

Donation income is recognised when it is received.

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

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

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



## **1.6 Gains**

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

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

## **1.7 Capitation fees and levies**

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

## **1.8 Employee benefits**

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

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

## **1.8 Employee benefits (Continued)**

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

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

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

## **1.9 Leases**

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

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

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

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

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

#### **1.10 Borrowing costs**

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

#### **1.11 Cash**

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

## 1.13 Financial assets (Cont.)

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

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

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

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

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

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

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

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

The 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 asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

## **1.14 Financial Liabilities**

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

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

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

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the 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 re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

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

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

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



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

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

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

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

## **1.16 Land, Buildings, Plant and Equipment**

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

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

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

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

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

### ***Depreciation***

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

## 1.16 Land, Buildings, Plant and Equipment

### *Depreciation (Cont)*

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

	2018	2017
Buildings	50 years	50 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 of non-financial assets

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

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

## 1.18 Non-current assets held for sale

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

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

## 1.19 Taxation

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



## 1.19 Taxation (Cont.)

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

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

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

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

## 1.20 Fair value measurement

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

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

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

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

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

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

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

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

## **1.20 Fair value measurement (Cont.)**

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

## **1.21 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. The Branch future operations are dependent upon the continued support of its members and the achievement of operating surpluses and positive operating cash flows. At this date of this report Branch has no reason to believe that members support will not be received in the foreseeable future.

## Note 2 Events after the reporting period

There were no events that occurred after 31 December 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of NT Branch of the Australian Education Union.

	2018	2017
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees</b>		
Capitation fees	-	-
<b>Total capitation fees</b>	<u>-</u>	<u>-</u>
<b>Note 3B: Levies</b>		
Levies	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>
<b>Note 3C: Interest</b>		
Deposits	9,932	9,293
Loans	-	-
<b>Total interest</b>	<u>9,932</u>	<u>9,293</u>
<b>Note 3D: Rental revenue</b>		
Properties	-	-
Other	-	-
<b>Total rental revenue</b>	<u>-</u>	<u>-</u>
<b>Note 3E: Grants or donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>

	2018	2017
	\$	\$
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b> Holders of office:</b>		
Wages and salaries	269,020	217,751
Superannuation	24,944	20,461
Leave and other entitlements	8,437	1,539
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<u>302,401</u>	<u>239,751</u>
<b> Employees other than office holders:</b>		
Wages and salaries	402,383	392,548
Superannuation	38,225	36,623
Leave and other entitlements	8,437	1,539
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>449,045</u>	<u>430,710</u>
<b>Total employee expenses</b>	<u>751,446</u>	<u>670,461</u>
 <b>Note 4B: Capitation fees</b>		
 Australian Education Union- Federal Office	<u>54,562</u>	45,835
<b>Total capitation fees</b>	<u>54,562</u>	<u>45,835</u>
 <b>Note 4C: Affiliation fees</b>		
 NT Trades and Labour Council	<u>11,066</u>	9,386
<b>Total affiliation fees/subscriptions</b>	<u>11,066</u>	<u>9,386</u>

	2018	2017
	\$	\$
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions	-	-
Compulsory levies (AUSEDTAFE/publication levy, ACTU campaign levy)	7,918	5,255
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	101,484	127,920
Committee expenses	43,747	41,886
Contractors/consultants	8,873	18,278
Property expenses	18,524	6,712
Office expenses	31,508	39,848
Information communications technology	28,026	38,081
Specific project expenses (EBA, GONSKI, etc.)	19,500	8,674
Travel and accommodation	30,095	34,495
Motor Vehicle Expenses	12,688	9,644
AEU Expenses	26,137	20,493
Other	63,180	26,103
<b>Subtotal administration expense</b>	<b>391,680</b>	<b>377,389</b>
Operating lease rentals:		
Minimum lease payments	-	-
<b>Total administration expenses</b>	<b>391,680</b>	<b>377,389</b>

**Note 4E: Grants or donations**

Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	955	1,023
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>955</b>	<b>1,023</b>

**Note 4F: Depreciation and amortisation**

Depreciation		
Land & buildings	8,300	8,300
Property, plant and equipment	24,844	23,628
<b>Total depreciation</b>	<b>33,144</b>	<b>31,928</b>
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>33,144</b>	<b>31,928</b>

	2018	2017
	\$	\$
<b>Note 4G: Finance costs</b>		
Interest on Finance leases	1,952	2,736
Bank charges/credit card merchant fee	6,097	6,294
Unwinding of discount	-	-
<b>Total finance costs</b>	<b>8,049</b>	<b>9,030</b>

**Note 4H: Legal costs**

Litigation	-	-
Other legal matters	5,498	5,490
<b>Total legal costs</b>	<b>5,498</b>	<b>5,490</b>

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

Asset write-downs and impairments of:

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

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

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

**Note 4K: Other expenses**

Penalties - via RO Act or RO Regulations	-	-
Payroll Tax	43,215	37,629
<b>Total other expenses</b>	<b>43,215</b>	<b>37,629</b>



	2018	2017
	\$	\$

**Note 6 Non-current Assets**

**Note 6A: Land and buildings**

Land and buildings:		
fair value	580,000	580,000
accumulated depreciation	(16,600)	(8,300)
<b>Total land and buildings</b>	<b>563,400</b>	<b>571,700</b>

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

<b>As at 1 January</b>		
Gross book value	580,000	580,000
Accumulated depreciation and impairment	(8,300)	-
<b>Net book value 1 January</b>	<b>571,700</b>	<b>580,000</b>
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	(8,300)	(8,300)
Other movement [ <i>give details below</i> ]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
<b>Net book value 31 December</b>	<b>563,400</b>	<b>571,700</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	580,000	580,000
Accumulated depreciation and impairment	(16,600)	(8,300)
<b>Net book value 31 December</b>	<b>563,400</b>	<b>571,700</b>

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

The revalued land and buildings consist 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.



	2018 \$	2017 \$
<b>Note 6B: Plant and equipment</b>		
Plant and equipment:		
at cost	323,176	288,739
accumulated depreciation	(266,943)	(242,099)
<b>Total plant and equipment</b>	<b>56,233</b>	<b>46,640</b>

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

<b>As at 1 January</b>		
Gross book value	288,739	280,944
Accumulated depreciation and impairment	(242,099)	(218,471)
<b>Net book value 1 January</b>	<b>46,640</b>	<b>62,473</b>
Additions:		
By purchase	34,437	7,795
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(24,844)	(23,628)
Other movement	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
<b>Net book value 31 December</b>	<b>56,233</b>	<b>46,640</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	323,176	288,739
Accumulated depreciation and impairment	(266,943)	(242,099)
<b>Net book value 31 December</b>	<b>56,233</b>	<b>46,640</b>

	2018	2017
	\$	\$
<b>Note 6F: Other Investments</b>		
Deposits	-	-
Other	10	10
<b>Total other investments</b>	<u>10</u>	<u>10</u>

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

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

**Note 7 Current Liabilities**

**Note 7A: Trade payables**

Trade creditors and accruals	10,199	14,917
Operating lease rentals	-	-
<b>Subtotal trade creditors</b>	<u>10,199</u>	<u>14,917</u>
<b>Payables to other reporting unit[s]</b>	<u>-</u>	<u>-</u>
<b>Subtotal payables to other reporting unit[s]</b>	<u>-</u>	<u>-</u>
<b>Total trade payables</b>	<u>10,199</u>	<u>14,917</u>

Settlement is usually made within 30 days.

	2018	2017
	\$	\$
<b>Note 7B: Other payables</b>		
Superannuation	7,871	13,800
Consideration to employers for payroll deductions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	30,069	30,357
PAYG Withholding Payable	25,877	14,720
Other	4,468	28,637
FBT Instalments Paid	(7,748)	(8,551)
<b>Total other payables</b>	<b>60,537</b>	<b>78,963</b>
Total other payables are expected to be settled in:		
No more than 12 months	60,537	78,963
More than 12 months	-	-
<b>Total other payables</b>	<b>60,537</b>	<b>78,963</b>
<b>Note 7C: Finance lease liability</b>		
Current portion of finance lease	15,611	9,957
<b>Total other non-current liabilities</b>	<b>15,611</b>	<b>9,957</b>
<b>Note 8 Provisions</b>		
<b>Note 8A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	24,944	36,483
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<b>24,944</b>	<b>36,483</b>
<b>Employees other than office holders:</b>		
Annual leave	38,903	10,489
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>38,903</b>	<b>10,489</b>
<b>Total employee provisions</b>	<b>63,847</b>	<b>46,972</b>
Current	63,847	46,972
Non-Current	-	-
<b>Total employee provisions</b>	<b>63,847</b>	<b>46,972</b>



	2018	2017
	\$	\$

**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	672,212	722,459
Balance sheet	672,212	722,459
<b>Difference</b>	-	-

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

Profit/(deficit) for the year	(32,338)	6,053
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**Adjustments for non-cash items**

Depreciation/amortisation	33,144	31,928
Interest in finance lease	1,952	2,736
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-

**Changes in assets/liabilities**

(Increase)/decrease in net receivables	(912)	(4,100)
(Increase)/decrease in other current assets	822	(4,134)
Increase/(decrease) in supplier payables	(4,718)	6,694
Increase/(decrease) in other payables	(18,426)	14,147
Increase/(decrease) in employee provisions	16,875	10,816
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<b>(3,601)</b>	<b>64,140</b>

**Note 11B: Cash flow information**

Cash inflows

*[list each reporting unit/controlled entity]*

	-	-
<b>Total cash inflows</b>	-	-

Cash outflows

*[list each reporting unit/controlled entity]*

	-	-
<b>Total cash outflows</b>	-	-

<b>2018</b>	<b>2017</b>
<b>\$</b>	<b>\$</b>

## 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 2018 (31 December 2017: Nil)

#### Operating lease commitments—as lessor

The Branch is not entered any non-cancellable operating lease commitments as at 31 December 2018 (31 December 2017: Nil)

#### Capital commitments

At 31 December 2018 the Branch has no capital commitments (31 December 2017: Nil).

#### Finance lease commitments—as lessee

Within one year	<b>18,076</b>	11,990
After one year but not more than five years	-	16,773
More than five years	-	-
<b>Total minimum lease payments</b>	<b>18,076</b>	<b>28,763</b>
Less amounts representing finance charges and GST	<b>(2,465)</b>	<b>(2,895)</b>
<b>Present value of minimum lease payments</b>	<b>15,611</b>	<b>25,868</b>
Included in the financial statements as:		
Current interest-bearing loans and borrowings	<b>15,611</b>	9,957
Non-current interest-bearing loans and borrowings	-	15,911
<b>Total included in interest-bearing loans and borrowings</b>	<b>15,611</b>	<b>25,868</b>

	2018	2017
	\$	\$
<b>Note 12A: Commitments and Contingencies (continued)</b>		
<b>Finance leases—lessor</b>		
Minimum lease payments	-	-
Unguaranteed residual value	-	-
Gross investment	-	-
Unearned finance income	-	-
<b>Net investment (present value of the minimum lease payments)</b>	<b>-</b>	<b>-</b>
Gross amount of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
<b>Total gross amount of minimum lease payments</b>	<b>-</b>	<b>-</b>
Present value of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
<b>Total present value of minimum lease payments</b>	<b>-</b>	<b>-</b>

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

Management has confirmed that there were no contingent assets or liabilities as at 31 December 2018 (31 December 2017: Nil)

<b>2018</b>	<b>2017</b>
\$	\$

**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)	<b>269,020</b>	217,751
Annual leave accrued	<b>8,437</b>	1,539
Superannuation	<b>26,358</b>	20,461
Performance bonus	-	-
<b>Total short-term employee benefits</b>	<b>303,815</b>	239,751

**Post-employment benefits:**

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

**Other long-term benefits:**

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

**Termination benefits**

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

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

There were no transactions (other than as disclosed above) during the year ended 31 December 2018 (2017: Nil).

**Note 14 Remuneration of Auditors**

**Value of the services provided**

Financial statement audit services	<b>14,442</b>	9,200
Other services	-	-
<b>Total remuneration of auditors</b>	<b>14,442</b>	9,200

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



	2018	2017
	\$	\$

**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
<b>Total</b>	<b>10</b>	<b>10</b>
Loans and receivables:		
Cash and Bank	672,212	722,459
Trade Debtors	5,012	4,100
Accrued interest receivable	3,312	-
<b>Total</b>	<b>680,536</b>	<b>726,559</b>
<b><i>Carrying amount of financial assets</i></b>	<b>680,546</b>	<b>726,569</b>

***Financial Liabilities***

Fair value through profit or loss:		
	-	-
<b>Total</b>	<b>-</b>	<b>-</b>
Other financial liabilities:		
Accounts payable and other payables	70,736	93,880
Finance lease payable	15,611	25,868
<b>Total</b>	<b>86,347</b>	<b>119,748</b>
<b><i>Carrying amount of financial liabilities</i></b>	<b>86,347</b>	<b>119,748</b>

	2018	2017
	\$	\$
<b>Note 15B: Net Income and Expense from Financial Assets</b>		
<b>Loans and receivables</b>		
Interest revenue	9,932	9,293
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) from loans and receivables</b>	<b>9,932</b>	<b>9,293</b>
<b>Net gain/(loss) at fair value through profit and loss</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) from financial assets</b>	<b>9,932</b>	<b>9,293</b>

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

<b>At amortised cost</b>		
Interest expense	1,952	2,736
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	<b>1,952</b>	<b>2,736</b>
<b>Net gain/(loss) from financial liabilities</b>	<b>1,952</b>	<b>2,736</b>

**Note 15D: Credit Risk**

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the registered organisation. The registered organisation does not have any material risk exposures as its major source of revenue is the receipt of membership fees. As at 31 December 2018 there were only \$5,012 outstanding trade receivables (2017: 4,100).

**Note 15E: Liquidity Risk**

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

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

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

**Contractual maturities for financial liabilities 2018**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & other payables	-	70,736	-	-	-	70,736
Finance lease payables	-	18,076	-	-	-	18,076
<b>Total</b>	-	<b>88,812</b>	-	-	-	<b>88,812</b>

**Contractual maturities for financial liabilities 2017**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & other payables	-	93,880	-	-	-	93,880
Finance lease payables	-	11,990	16,773	-	-	28,763
<b>Total</b>	-	<b>105,870</b>	<b>16,773</b>	-	-	<b>122,643</b>

**Note 15F: Market Risk**

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

**Interest rate risk**

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

<b>Fixed rate instruments</b>	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Financial assets	-	-
Financial liabilities	<b>15,611</b>	<b>25,868</b>

**Price risk**

The Branch is not exposed to price risk.

**Currency risk**

The Branch is not exposed to currency risk.

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

**Assets pledged as collateral**

**Financial assets pledged as collateral:**

	<b>2018</b>	<b>2017</b>
	<b>\$</b>	<b>\$</b>
Motor vehicle- WDV	<b>7,535</b>	<b>18,717</b>
<b>Total assets pledged as collateral</b>	<b>7,535</b>	<b>18,717</b>

## Note 16 Fair Value Measurement

### Note 16A: Financial Assets and Liabilities

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

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

- Fair values of the Branch interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2018 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
<b>Financial Assets</b>				
Cash and Bank	672,212	672,212	722,459	722,459
Other Trade receivables	5,012	5,012	4,100	4,100
Other Current Assets	3,312	3,312	-	-
Available for sale asset	10	10	10	10
<b>Total</b>	<b>680,546</b>	<b>680,546</b>	<b>726,569</b>	<b>726,569</b>
<b>Financial Liabilities</b>				
Trade and other payables	70,736	70,736	93,880	93,880
Finance lease liability	15,611	15,611	25,868	25,868
<b>Total</b>	<b>86,347</b>	<b>86,347</b>	<b>119,748</b>	<b>119,748</b>

Note: The fair value of financial assets and financial liabilities is not materially different than their carrying value as at 31 December 2018 and 31 December 2017.

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

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

**Fair value hierarchy – 31 December 2018**

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>				
		\$	\$	\$
Land and building	2016	-	563,400	-
Investment in shares	2014	-	10	-
<b>Total</b>		-	<b>563,410</b>	-
<b>Liabilities measured at fair value</b>				
Nil		-	-	-
<b>Total</b>		-	-	-

**Fair value hierarchy – 31 December 2017**

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>				
		\$	\$	\$
Land and building	2016	-	571,700	-
Investment in shares	2014	-	10	-
<b>Total</b>		-	<b>571,710</b>	-
<b>Liabilities measured at fair value</b>				
Nil				
<b>Total</b>				

2018  
\$

2017  
\$

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

**Name of entity providing service:**

**Terms and conditions:**

**Nature of expenses/consultancy service:**

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

**Revenue**

Membership subscription	-	-
Capitation fees	-	-
Levies	-	-
Interest	-	-
Rental revenue	-	-
Other revenue	-	-
Grants and/or donations	-	-
<b>Total revenue</b>	-	-

**Expenses**

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

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

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

Information to be provided to members or Commissioner:

- (1) A member of a Branch, or the 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) A Branch must comply with an application made under subsection (1).



## NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

### OFFICER DECLARATION STATEMENT

I, Adam Lampe, being the Branch Secretary of the Australian Education Union, Northern Territory Branch, declare that the following activities did not occur during the reporting period ending 31 December 2018.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organization, a determination or revocation by the General Manager, Fair Work Commission
- receive capitation fees from another reporting unit
- receive any other revenue from another reporting unit
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay affiliation fees to other entity
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that exceeded \$1,000
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a receivable with other reporting unit(s)
- have a payable with other reporting unit(s)
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organization or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

*A. Lampe*

Dated:

29.05.19



17 June 2019

Adam Lampe  
Branch Secretary  
Australian Education Union-Northern Territory Branch  
Sent via email: admin@aeunt.org.au

Dear Adam Lampe,

### **Lodgement of Financial Report - Reminder to lodge**

The Registered Organisations Commission's (the ROC) records disclose that the financial year of the Australian Education Union-Northern Territory Branch (the reporting unit) ended on the 31 December 2018.

As you would be aware, the *Fair Work (Registered Organisations) Act 2009* (the RO Act) requires that a reporting unit prepare a financial report in accordance with the RO Act, make it available to the members and then must lodge the financial report within 14 days after the general meeting of members, or if the rules of the reporting unit allow, the Committee of Management meeting (s.268).

The maximum period of time allowed under the RO Act for the full financial report to be presented to a general meeting of members or a committee of management meeting is six months after the expiry date of its financial year (s.253, s254, s265, s.266, s.268). The full report must be lodged with the ROC within 14 days of that meeting.

The ROC encourages your reporting unit to lodge its financial report at the earliest opportunity in order to ensure compliance with its obligations. Failure of a reporting unit to lodge its financial report is a breach of a civil penalty provision of the RO Act. This can result in the Commissioner instituting an inquiry or investigation into a reporting unit's non-compliance under Chapter 11, Part 4 of the RO Act. The actions available to the Commissioner following an investigation include issuing Federal Court legal proceedings for breach of a civil penalty provision. The orders available to the Federal Court include imposition of a pecuniary penalty on the organisation or individual officer, whose conduct led to the contravention, of up to \$105,000 per contravention on the organisation and up to \$21,000 per contravention on an officer whose conduct led to the contravention.

We encourage you to lodge the full financial report directly to [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au). That is the official email address for electronic lodgements of material related to registered organisations matters.

Should you seek any clarification in relation to the above, please contact me on 1300 341 665 or via email at [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**



21 January 2019

Mr Adam Lampe  
Branch Secretary  
Australian Education Union-Northern Territory Branch  
By Email: [secretary@aeunt.org.au](mailto:secretary@aeunt.org.au)

Dear Mr Lampe,

**Re: Lodgement of Financial Report - [FR2018/353]  
*Fair Work (Registered Organisations) Act 2009 (the RO Act)***

The financial year of the Australian Education Union-Northern Territory Branch (the reporting unit) ended on 31 December 2018. This is a courtesy letter to remind you of the reporting unit's obligations regarding financial reporting.

### **Loans Grants and Donations Statement**

The reporting unit is required to lodge a statement showing the relevant particulars in relation to each loan, grant or donation of an amount exceeding \$1,000 for the reporting unit during its financial year. Section 237 of the RO Act requires this statement to be lodged with the Registered Organisations Commission (the ROC) within 90 days of the end of the reporting unit's financial year, namely on or before 31 March 2019.

The attached fact sheet *Loans Grants and Donations* (FS 009) summarises the requirements of the Loans Grants and Donations Statement. A sample statement of loans, grants or donations is available on our [website](#).

It should be noted that s.237 is a civil penalty provision. If a loan, grant or donation over \$1000 has been made, failure to lodge a statement of loans, grants and donations (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty. Currently penalties are up to \$105,000 for each contravention for a body corporate and up to \$21,000 for each contravention for an individual and may be imposed upon your organisation and/or an officer whose conduct led to the contravention.

### **Financial report**

The RO Act sets out a particular chronological order in which your financial report must be prepared, audited, provided to members, presented to a meeting and then lodged with the ROC. The attached document *Summary of Financial Reporting timelines* (FS 008) summarises these requirements.

We emphasise that the reporting unit is required to present its audited financial report to a meeting (either of members or of the committee of management, depending on its rules) no later than 30 June 2019 (s.266). The full financial report must be lodged with the ROC within 14 days of that meeting (s.268).

When assessing your financial report, we will continue to focus closely on timelines as well as how loans, grants and donations are reported (see attached *Loans Grants and Donations* fact sheet FS 009). The financial report must break down the amounts of grants and donations and these figures will be compared to the loans, grants and donations statement.

You can visit our website for more information regarding [financial reporting](#), and fact sheets regarding [financial reporting processes and requirements](#). A model set of financial statements developed by the ROC is also available on our website. It is not obligatory to use this model but it is a useful resource to ensure compliance with the RO Act, the Reporting Guidelines and the Australian Accounting Standards.

It should be noted that s.268 of the RO Act is a civil penalty provision. Failure to lodge the full financial report (including failure to lodge on time) may result in legal proceedings being issued with the possibility of a pecuniary penalty, as set out above, being imposed upon your organisation and/or an officer whose conduct led to the contravention (s.268).

### **Subsection 255(2A) report**

A general purpose financial report prepared under section 253 of the RO Act must also include the expenditure report required to be prepared under subsection 255(2A) as prescribed by reporting guideline 22. A copy of the latest reporting guidelines for the purpose of section 253 is available on our [website](#).

It should be noted that the subsection 255(2A) report must be identified by title in the auditor's report in accordance with paragraph 24(c) of Australian Auditing Standard ASA 700 *Forming an Opinion and Reporting on a Financial Report*.

A [fact sheet](#) is available on our website which provides guidance on the reporting requirements under subsection 255(2A) of the RO Act.

## **REMINDER**

### **YOUR AUDITOR MUST BE REGISTERED (s.256)**

You must ensure that your auditor is registered by the Registered Organisations Commissioner. A list of registered auditors is available on our [website](#).

### **Contact**

Should you require any clarification in relation to the above, please email [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au).

Yours faithfully,

**Kylie Ngo**  
**Registered Organisations Commission**

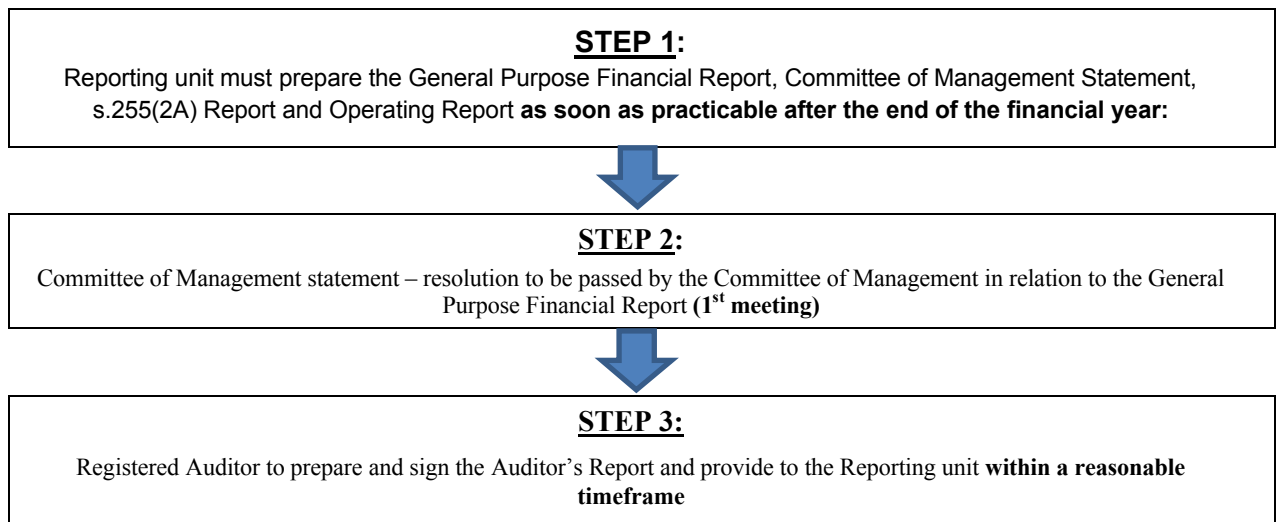


## Fact sheet

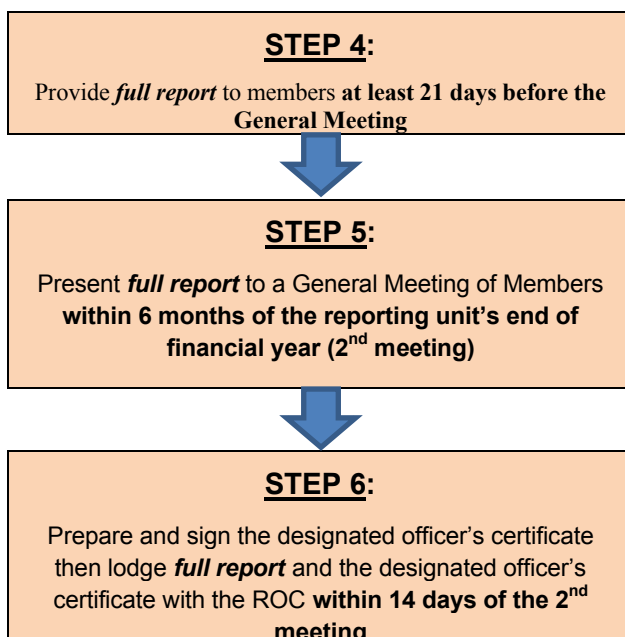
### Summary of financial reporting timelines – s.253 financial reports

General Information:

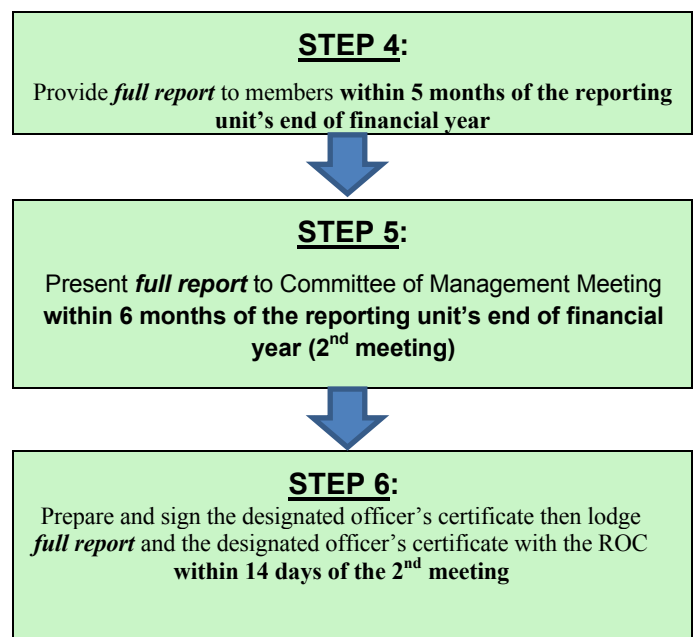
- The **full report** consists of the General Purpose Financial Report, Committee of Management Statement, Operating report, s.255(2A) Report and signed Auditors' Report
- For an explanation of each of the steps below see our [Fact sheet—financial reporting process](#).



IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT  
AT **GENERAL MEETING OF MEMBERS**  
(this is the default process in the RO Act)





















IF RULES PROVIDE FOR PRESENTATION OF FULL REPORT AT  
**COMMITTEE OF MANAGEMENT MEETING**  
(Special rules must be in the rulebook to use this process)



## Misconceptions

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Financial Reporting Process. They include:

Misconception	Requirement
<p> The Committee of Management statement is just copied from the Reporting Guidelines</p>	<p> The Committee of Management statement must have the date of the Committee of Management resolution recorded upon it and it must be signed and dated BEFORE the auditor signs their report</p> <p>Further, if any of the statements within it need to be modified to suit the reporting unit (for instance not holding meetings) these changes must also be made</p>
<p> The Auditor's Report does not need to be signed until just before it is lodged with the ROC</p>	<p> The Auditor's Report must be signed and dated BEFORE the full report (including the Auditor's Report) is sent to members and presented to the second meeting</p>
<p> The Designated Officer's Certificate must be signed before the report is sent to members</p>	<p> The Designated Officer's Certificate declares what the reporting unit HAS ALREADY DONE to provide the report to members and present it to the meeting. It must be signed and dated AFTER sending the report to members and the second meeting</p>
<p> Documents can be dated when they should have been signed or when the events in the document occurred</p>	<p> Documents must always be dated at the date they are actually signed by an officer or auditor</p>
<p> Any auditor can audit a financial report</p>	<p> Only registered auditors can audit the financial report</p>
<p> The Committee of Management statement can be signed at any time</p>	<p> The resolution passing the Committee of Management Statement must occur and the statement signed and dated BEFORE the auditor's report is signed and dated</p>
<p> Any reporting unit can present the Full Report to a second COM meeting</p>	<p> Only reporting units with a 5% rule in their rulebook are able to present their report to a second Committee of Management Meeting. Otherwise, it must be presented to a General Meeting of members</p>
<p> Everything can be done at one Committee of Management meeting</p>	<p> If the rules allow for presenting the report to the Committee of Management, there must still be <u>two meetings</u>. The first meeting resolves the Committee of Management statement (including signing and dating it). Between the two meetings the Auditor's report is signed and dated. Only then can the full report be presented to the second Committee of Management meeting (if the rules allow)</p>
<p> The reporting unit has 6 months and 14 days to lodge their financial report with the ROC</p>	<p> The reporting unit must lodge the financial report within 14 days of the second meeting</p>

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.





## **Fact sheet**

### **Loans, Grants & Donations**

#### **The Loans, Grants & Donations Requirements**

The Fair Work (Registered Organisations) Act 2009 (the RO Act) requires an organisation or branch to lodge a loans, grants and donations statement (the statement) within 90 days of the ending of the financial year.

Under the Commissioner's Reporting Guidelines, a reporting unit's General Purpose Financial Report (the financial report) must break down the amounts of grants and donations (see below). The figures in the financial report will be compared to the loans, grants and donations statement.

#### **The Loans, Grants & Donations Statement**

Section 237 of the RO Act applies to every loan, grant and donation made by an organisation or branch during the financial year that exceeds \$1000. The following information must be supplied to the Registered Organisations Commission (the ROC) for each relevant loan, grant or donation:

- the amount,
- the purpose,
- the security (if it is a loan),
- the name and address of the person to whom it was made,\* and
- the arrangements for repaying the loan.\*

\*The last two items are not required if the loan, grant or donation was made to relieve a member of the organisation (or their dependent) from severe financial hardship.

The statement must be lodged within 90 days of the end of the financial year and the ROC has a [Template Loans, Grants and Donations Statement](#) on its website. The ROC encourages branches and organisations to lodge the statement even if all of the figures are NIL.



**Common misconceptions**

Over the years, staff of the Commission have noted that there are some common misunderstandings made in relation to the Statement. They include:

Misconception	Requirement
<p><b>✗</b> Only reporting units must lodge the Statement.</p>	<p><b>✓</b> All branches and organisations, regardless of whether they lodge a financial report, must lodge the statement within 90 days of the end of the financial year. An organisation cannot lodge a single statement to cover all of its branches.</p>
<p><b>✗</b> Employees can sign the Statement.</p>	<p><b>✓</b> The statement must be signed by an elected officer of the relevant branch.</p>
<p><b>✗</b> Statements can be lodged with the financial report.</p>	<p><b>✓</b> The deadline for the statement is much shorter (90 days) and if it is lodged with the financial report it is likely to be late.</p>

**Grants & Donations within the Financial Report**

Item 14(e) of the Commissioner’s Reporting Guidelines requires the reporting unit to separate the line items relating to grants and donations into grants or donations that were \$1000 or less and those that exceeded \$1000.

As such, the note in the financial report relating to grants and donations will have four lines.

In the [ROC's Model Statements](#) the note appears as follows:

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

Grants:	2017	2016
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
<b>Total grants or donations</b>	-	-

The Commissioner’s Reporting Guidelines requires that these line items appear in the financial statements, the notes or in the officer’s declaration statement, even if the figures are NIL.

## Implications for filing the Financial Report

During their review of the financial report staff of the ROC may confirm that the figures in the financial report match the disclosures made in the statement. Any inconsistencies in these figures will be raised with the organisation or branch for explanation and action.

This may involve lodging an amended loans, grants or donations statement. Any failure to lodge a loans, grants or donations statement or lodging a statement that is false or misleading can attract civil penalties under the RO Act.

If a reporting unit did not fully comply with these requirements in their last financial report, its filing letter will have included a statement reminding the reporting unit of its obligations.

It is strongly recommended that all reporting units review their filing letters from the previous financial year to ensure any targeted concerns are addressed in their latest financial report. Failure to address these individual concerns may mean that a financial report cannot be filed.

Previous financial reports and filing letters are available from the website.

### Further information

If you have any further questions relating to the loan, grant and donation disclosure requirements in the statement or the financial report, please contact the ROC on [regorgs@roc.gov.au](mailto:regorgs@roc.gov.au)

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This fact sheet is not intended to be comprehensive. It is designed to assist in gaining an understanding of the Registered Organisations Commission and its work. The Registered Organisations Commission does not provide legal advice.