



18 August 2020

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 2019 – (FR2019/347)**

I acknowledge receipt of the financial report for the year ended 31 December 2019 for the Australian Education Union, Northern Territory Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 17 June 2020.

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 2020 may be subject to an advanced compliance review.

You are not required to take any further action in respect of the report lodged, except where I have indicated under the heading 'Timescale requirements'. 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.

**Timescale requirements**

Auditor's statement must be signed before full report provided to members

Under subsection 265(1)(a) of the RO Act a reporting unit must provide free of charge to its members a full report. A full report consists of:

- (i) a copy of the report of the auditor in relation to the inspection and audit of the financial records of the reporting unit in relation to a financial year; and
- (ii) a copy of the general purpose financial report to which the report relates; and
- (iii) a copy of the operating report to which the report relates.

Subsection 253(2) states that the general purpose financial report must consist of:

- (a) financial statement containing
  - (i) a profit and loss statement, or other operating statement; and
  - (ii) a balance sheet; and
  - (iii) a statement of cash flows; and
  - (iv) any other statements required by the Australian Accounting Standards; and
- (b) notes to the financial statements containing:
  - (i) notes required by the Australian Accounting Standards; and
  - (ii) information required by the reporting guidelines (see section 255); and
- (c) any other reports or statements required by the reporting guidelines (see section 255) (including a committee of management statement, subsection 255(2A) report and officer's declaration statement).

The designated officer's certificate states that the full report was provided to members on 22 May 2020.

However, the auditor's report were not signed until 29 May 2020 which is after the date the full report was purportedly provided to members. The auditor's report must be signed and dated before it's provided to members as it form part of a full report. It would therefore appear that members have not been provided with a copy of the full report.

Please ensure that members are provided with a copy of the full report. Please note that subsections 265(1) and 265(5) are both civil penalty provisions.

### **General purpose financial report (GPFR)**

#### New Accounting Standards

Australian Accounting Standards AASB 16 Leases, AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities are applicable to not-for-profit entities for annual periods beginning on or after 1 January 2019. I note that information regarding the adoption of AASB 15 and AASB 16 are disclosed under the sub-heading 'Future Australian Accounting Standards Requirements' instead of 'Adoption of New Australian Accounting Standard requirements'.

#### Partial disclosure – accounting policies note

Note 1.4 New Australian Accounting Standards to the GPFR states that Australian Accounting Standard AASB 15 Revenue from Contracts with Customers has been adopted. However, the accounting policies disclosed in note 1.5 Revenue in the GPFR do not appear to have been updated to reflect these new standards, nor does it appear that the disclosures required by this/those standard(s) have been included in the GPFR.

Please note that in future years the reporting unit's GPFR must include all relevant and required financial disclosures in accordance with AASB 15.

#### Inconsistency in disclosures of financial information

Note 4B Capitation fees disclose capitation fees expenses to the Australian Education Union – Federal Office of \$63,596 for the 2019 financial year (2018: \$54,562). It is therefore expected that in relation to this transaction, that either a disclosure of a payable and/or a cash outflow to another reporting unit would appear within the financial report as per the requirements under items 15 and 18 of the RGs.

The financial report however, has 'nil' disclosures for having payable with another reporting unit and for cash outflows to another reporting unit in Note 7A Trade payables and Note 11B Cash flow information respectively.

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

## 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,



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

AEU Northern Territory



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**ABN 64 406 978 451**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**ABN 64 406 978 451**  
**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

**FINANCIAL REPORT**

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**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
DESIGNATED OFFICER'S CERTIFICATE  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 22 May 2020; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 11 June 2020 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: .....



**Adam Lampe, Branch Secretary**

Dated: 17 June 2020 .....

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

I have audited the financial report, of NT Branch of the Australian Education Union ("the Branch"), which comprises the statement of financial position as at 31 December 2019, 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 2019, 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 2019 and of its performance and cash flows for the year then ended on that date in accordance with:

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

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

**Basis for Opinion**

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

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

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

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

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

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

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

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

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



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

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

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

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

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

I declare that I am an auditor registered under the RO Act and 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 2020  
Registration number- AA2018/11





**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
 REPORT REQUIRED UNDER SUBSECTION 255 (2A)  
 FOR THE YEAR ENDED 31 DECEMBER 2019**

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 2019.

Descriptive form

Categories of expenditures	2019 \$	2018 \$
Remuneration and other employment-related costs and expenses - employees	755,186	751,446
Advertising	1,160	3,351
Operating costs	547,621	553,762
Donations to political parties	-	-
Legal costs	6,000	5,498

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

*Dated: 15.05.2020*

<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 2019**

The Committee members present its operating report on the Branch for the financial year ended 31 December 2019.

**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 (until 20/1/19; resumed office 16/4/19)
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
Rachel Jay	Regional Councillor (assumed office 22/5/19)
Peter Corke	Regional Councillor (Resigned 07/5/19)
Dennis Venning	Regional Councillor
Candace Loane	Regional Councillor
Deborah Lamb	Regional Councillor
Daniel Yore	Regional Councillor

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 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. For the period January to September work was conducted on 128 recorded cases and enquires. Pay and conditions

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

queries were the main category at just over 40%. The next three highest of the 12 case categories (which include health and safety, bullying and harassment, discrimination, performance management and permanency) in which the union provided representation were in regard to grievances, disciplinary and workers' compensation matters.

The overall number of cases (pro-rata) was close to numbers encountered in the previous year. In terms of categories, promotion and selection queries reduced in 2019 compared to 2018, whilst grievance cases increased.

From the beginning of October the Branch commenced use of a new membership database, which has slightly different categories and the capacity for superior reporting and measurement of cases.

The establishment of the new database was a significant investment – the Branch's largest capital expenditure in many years. It was designed as a "one stop shop" that for the first time would allow the union office to capture member records and subscriptions, case management, communication and organising and campaigning within the one platform.

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.

The Branch continued to pursue matters which were agreed to by the employer in the teacher enterprise agreement approved late in 2018, including increased levels of teacher permanency and a centralised transfer system for school-based teachers.

The Teacher Permanency Project was implemented by the Department of Education in 2017. Unfortunately, it has had limited success. The Project was intended to reduce the number of fixed-term contract teachers in Northern Territory's public education system. At the beginning of 2019 the ratio of ongoing to fixed-period contract teachers was about 60-40. By the end of 2019, the proportion of fixed-term contract teachers was still around 36%. One of the main reasons for this was that school principals had the ability to opt-out of the Project if they wished. Also, the administrative processes around the Project were cumbersome and lacked transparency. Toward the end last quarter of the school year the AEU NT started to engage in individual disputes of behalf of members stemming from the Security of Employment clause in the enterprise agreement to address these problems.

More successful was the development of more streamlined policies and procedures associated with the administration of teacher transfers between schools.

In the VET sector, a major focus of union activity for members at Charles Darwin University was to stem the possible loss of jobs in the sector as a result of the university's move to reduce course offerings. The AEU NT lodged a formal dispute with CDU management over the consultation process leading toward the university's proposed changes. The union was successful in encouraging the Vice-Chancellor to review the change process, and he decided to postpone it until 2020, thereby saving members' jobs for the time being.

The union was also involved in the finalisation of a protracted bargaining process at the Batchelor Institute, leading to modest salary increases for members at BIITE.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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. However, due to the return of the Coalition in the 2019 federal election, the union's campaign for fair funding for public schools hit a brick wall. The AEU NT 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 Morrison 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 safety of our members remains a critical issue, with data collected by the Department of Education 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 built on significant inroads it made in 2018 in changing departmental policies and procedures to encourage greater compliance with NT regulatory requirements regarding occupational health and safety. There continued to be an increase in the number of elected Health and Safety Representatives in schools as a result in 2019.

**Results of activities**

The union continued to have a strong emphasis on workplace recruitment and organisation. The union commenced a regular schedule of training of workplace representatives to strengthen the capacity of sub-branch representatives to advocate on behalf of members and further the goals of the AEU.

The Branch continued its efforts to empower sub-branch structures to resolve their local workplace issues in the first instance. This has been made possible by the training course written and delivered by the organisers on four separate occasions across the year including a collaboration with AEU SA in Alice Springs. As a result, 60 members were provided with training in most regions across the Territory, with a recruitment conversation in Walpiri a highlight of these sessions.

During 2019 the organising team recorded "positive contacts" with over 500 members, consisting mainly of membership reactivations and upgrades and workplace or contact details updates. The majority of these resulted from workplaces visits and membership list follow ups. This was made possible by the sub-branch structure of the AEU NT, which provides a dedicated point of contact for organisers and officers in all but a few schools across the NT.

The new membership database has simplified the process for members to join the union. Although there was a shift to online sign ups due to a new process linked to the new database, the most effective recruitment strategy continued to be face-to-face, with orientation events and workplace visits yielding the majority of new members, and also follow-up recruitment opportunities related to a recent visit, conversation or sub-branch meeting.

Members in the support staff category become more active 2019. Meetings of support staff were held across the year culminating in an endorsement by the Branch Executive for a campaign to improve the status and working conditions of these employees.

A significant organising issue which arose in 2019 was the employer's proposed removal of the Katherine housing subsidy to fulfill the government's requirement for budget savings.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The union assisted in organising members in the Katherine township against this move. As a result, a less harsh transition period was introduced.

The union was also the key opponent of the government's attempt to freeze the pay of principals employed on executive contracts. Our advocacy in this arena led to a collaborative process of transitioning principals back to secure employment under enterprise agreement coverage, a project which will continue through 2020.

A focus of organizer visits to remote schools was encouraging Aboriginal and Torres Strait Islander people to become members of the union. This was part of a wider strategy throughout the AEU nationally to engage Aboriginal people. The objective 'recruit, train, retain, organise Aboriginal and Torres Strait Islander members' is a starting point for the AEU NT branch.

The union's continued focus on WHS led to the Department releasing policy and guidelines adhering to the WHS Act. Some of the issues reported by teachers include violence in the classroom, issues with remote housing and bullying and harassment. The issue of government employee housing also falls within the realm of WHS and together with the Department, NT Housing and representatives from schools in Tennant Creek, a successful roundtable was organised to assist members with resolving these problems.

A visit to Alekarenge School by senior federal and branch officers revealed the stark inequalities in spending on infrastructure. The resulting report was tabled with government officials in both Darwin and Canberra and continues to inform the union's campaign for desperately needed infrastructure upgrades of many remote schools.

One indicator of the continued strength of sub-branch organisation was the success of our annual Branch Conference held in Katherine over the May Day weekend. The Conference was attended by over 100 registered Delegates and members of Branch Executive, considering more than 50 items put forward for discussion by the Executive and sub-branches.

**Significant changes**

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



**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2019  
Right of members to resign**

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

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

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

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

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

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

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

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

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

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

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

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

(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.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

(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 2019 was 1834 (the equivalent figure for 2018 was 1899).

The number of full-time equivalent employees of the Branch in 2019 was six, including two elected full-time officers.

**Superannuation trustees**

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

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
OPERATING REPORT (Cont.)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**Operating results**

The profit of the Branch for the financial year after providing for income tax of Nil amounted to \$81,708 (2018 loss: \$32,338).

**After balance date events**

Subsequent to 31 December 2019, the emergence of the COVID-19 virus has caused significant disruption to the global economy. It is possible that such disruption may have flow on effects to the Union's operations and in particular, the Union's community and financial affairs. At present it is impracticable to determine what those effects, if any will be.

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 15.05.2020

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION  
COMMITTEE OF MANAGEMENT STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2019**

On 15 May 2020 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 2019:

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 Fair Work Commission under section 273 of the RO Act, there has been compliance.

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



Adam Lampe – Branch Secretary

Dated 15.05.2020

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 31 December 2019*

	Notes	2019 \$	2018 \$
<b>Revenue</b>			
Membership subscription		1,364,727	1,272,787
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	12,510	9,932
Other revenue		9,481	-
<b>Total revenue</b>		<u>1,386,718</u>	<u>1,281,719</u>
<b>Other Income</b>			
Grants and/or donations	3D	-	-
Net Gain from sale of assets	3E	4,957	-
Revenue from Recovery of Wages Activity	3F	-	-
<b>Total other income</b>		<u>4,957</u>	<u>-</u>
<b>Total income</b>		<u>1,391,675</u>	<u>1,281,719</u>
<b>Expenses</b>			
Employee expenses	4A	755,186	751,446
Capitation fees and other expenses to another reporting unit	4B	63,596	54,562
Affiliation fees	4C	11,096	11,066
Administration expenses	4D	365,569	391,680
Grants or donations	4E	2,136	955
Depreciation and amortisation	4F	47,909	33,144
Finance costs	4G	6,908	8,049
Legal costs	4H	6,000	5,498
Audit fees	14	9,000	14,442
Other expenses	4K	42,567	43,215
<b>Total expenses</b>		<u>1,309,967</u>	<u>1,314,057</u>
<b>Surplus (deficit) for the year</b>		<u>81,708</u>	<u>(32,338)</u>
<b>Other comprehensive income</b>			
Gain on revaluation of land & buildings		-	-
<b>Total comprehensive income for the year</b>		<u>81,708</u>	<u>(32,338)</u>

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 2019*

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	5A	635,966	672,212
Trade and other receivables	5B	6,721	5,012
Other current assets	5C	20,623	10,739
<b>Total current assets</b>		<b>663,310</b>	<b>687,963</b>
<b>Non-Current Assets</b>			
Land and buildings	6A	555,100	563,400
Plant and equipment	6B	154,210	56,233
Other investments	6F	10	10
<b>Total non-current assets</b>		<b>709,320</b>	<b>619,643</b>
<b>Total assets</b>		<b>1,372,630</b>	<b>1,307,606</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Trade payables	7A	17,396	10,199
Other payables	7B	65,531	60,537
Employee provisions	8A	50,583	63,847
Finance lease-current portion	7C	-	15,611
<b>Total current liabilities</b>		<b>133,510</b>	<b>150,194</b>
<b>Non-Current Liabilities</b>			
Employee provisions	8A	-	-
Other non-current liabilities	9A	-	-
<b>Total non-current liabilities</b>		<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>133,510</b>	<b>150,194</b>
<b>Net assets</b>		<b>1,239,120</b>	<b>1,157,412</b>
<b>EQUITY</b>			
General funds	10A	-	-
Retained earnings		979,509	897,801
Revaluation reserve	10A	259,611	259,611
<b>Total equity</b>		<b>1,239,120</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 CHANGES IN EQUITY**  
*for the year ended 31 December 2019*

Notes	General funds \$	Retained earnings \$	Revaluation reserve	Total equity \$
<b>Balance as at 1 January 2018</b>	-	930,139	259,611	1,189,750
Adjustment for errors	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-
Surplus / (deficit)	-	(32,338)	-	(32,338)
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>
Adjustment for errors	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-
Surplus / (deficit)	-	<b>81,708</b>	-	<b>81,708</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 2019</b>	-	<b>979,509</b>	<b>259,611</b>	<b>1,239,120</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF CASH FLOWS**  
*for the year ended 31 December 2019*

	Notes	2019 \$	2018 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	11B	-	-
Receipts		1,363,018	1,266,125
Interest		12,676	6,620
Other		9,481	-
		<u>1,385,175</u>	<u>1,272,745</u>
<b>Cash used</b>			
Employees		(768,450)	(729,343)
Suppliers		(503,898)	(547,003)
Payment to other reporting units/controlled entity(s)	11B	-	-
<b>Net cash from (used by) operating activities</b>	11A	<u>112,827</u>	<u>(3,601)</u>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		6,819	-
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		(139,448)	(34,437)
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		<u>(132,629)</u>	<u>(34,437)</u>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		-	-
<b>Cash used</b>			
Repayment of borrowings		(15,611)	(10,257)
Interest paid		(833)	(1,952)
<b>Net cash from (used by) financing activities</b>		<u>(16,444)</u>	<u>(12,209)</u>
<b>Net increase (decrease) in cash held</b>		<u>(36,246)</u>	<u>(50,247)</u>
Cash & cash equivalents at the beginning of the reporting period		672,212	722,459
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<u>635,966</u>	<u>672,212</u>

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

## Index to the Notes of the Financial Statements

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

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

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

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

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

### **1.2 Comparative amounts**

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

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

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

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

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

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



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

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

The Committee reviews its property and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of comprehensive income, the Committee makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property and equipment. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment. At 31 December 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 2019.

#### *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 stated in the standard.

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 2019, 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	The implementation of AASB 15 has no 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>		
AASB 16 Leases	<p>The key features of AASB 16 are as follows:</p> <ul style="list-style-type: none"> <li>• Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.</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 • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.</li> <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>The Branch has no existing operating lease contracts, and therefore the implementation of AASB 16 has no 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 loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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

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

## **1.6 Gains**

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

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

## **1.7 Capitation fees and levies**

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

## **1.8 Employee benefits**

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

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

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the 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 becomes a party to the contractual provisions of the instrument.

## **1.13 Financial asset**

### **Initial recognition and measurement**

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

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

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

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

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

### **Subsequent measurement**

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

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

### **Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or

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

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

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

### **Offsetting**

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

### **Impairment**

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

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

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

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

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

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).

- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

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

## **1.14 Financial Liabilities**

### **Initial recognition and measurement**

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

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

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

### **Subsequent measurement**

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

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

### **Derecognition**

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

## **1.15 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:

	2019	2018
Buildings	50 years	50 years
Plant and equipment	2.5 to 6 years	2.5 to 6 years
Inhouse Software	5 years	-

### *Derecognition*

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

## 1.17 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

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

## 1.19 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

Subsequent to 31 December 2019, the emergence of the COVID-19 virus has caused significant disruption to the global economy. It is possible that such disruption may have flow on effects to the Branch's operations and in particular, the Branch's community and financial affairs. At present it is impracticable to determine what those effects, if any will be.

There were no other events that occurred after 31 December 2019, 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.

	2019	2018
	\$	\$
<b>Note 3 Income</b>		
<b>Note 3A: Capitation fees and other revenue from another reporting unit</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	12,510	9,932
Loans	-	-
<b>Total interest</b>	<u>12,510</u>	<u>9,293</u>
<b>Note 3D: Grants or donations</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>
<b>Note 3E: Net gains from sale of assets</b>		
Plant and Equipment	4,957	-
<b>Total Net gain from sale of assets</b>	<u>4,957</u>	<u>-</u>



	2019	2018
	\$	\$
<b>Note 3F: Revenue from recovery of wages activity</b>		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	<u>-</u>	<u>-</u>

#### **Note 4 Expenses**

##### **Note 4A: Employee expenses**

###### **Holders of office:**

Wages and salaries	234,095	269,020
Superannuation	26,978	24,944
Leave and other entitlements	46,571	8,437
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<u>307,644</u>	<u>302,401</u>

###### **Employees other than office holders:**

Wages and salaries	379,854	402,383
Superannuation	37,856	38,225
Leave and other entitlements	29,832	8,437
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>447,542</u>	<u>449,045</u>
<b>Total employee expenses</b>	<u>755,186</u>	<u>751,446</u>

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

Australian Education Union- Federal Office	<u>63,596</u>	<u>54,562</u>
<b>Total capitation fees</b>	<u>63,596</u>	<u>54,562</u>

##### **Note 4C: Affiliation fees**

NT Trades and Labour Council	<u>11,096</u>	<u>11,066</u>
<b>Total affiliation fees/subscriptions</b>	<u>11,096</u>	<u>11,066</u>

	2019	2018
	\$	\$

**Note 4D: Administration expenses**

Total paid to employers for payroll deductions of membership subscriptions	-	-
Compulsory levies (AUSED TAFE/publication levy, ACTU campaign levy)	7,889	7,918
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	113,456	101,484
Committee expenses	38,253	43,747
Contractors/consultants	4,918	8,873
Property expenses	6,169	18,524
Office expenses	38,067	31,508
Information communications technology	21,736	28,026
Specific project expenses (EBA, GONSKI, etc.)	11,272	19,500
Travel and accommodation	38,106	30,095
Motor Vehicle Expenses	8,024	12,688
AEU Expenses	26,342	26,137
Other	51,337	63,180
<b>Subtotal administration expense</b>	<b>365,569</b>	<b>391,680</b>
Operating lease rentals:		
Minimum lease payments	-	-
<b>Total administration expenses</b>	<b>365,569</b>	<b>391,680</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	2,136	955
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b>2,136</b>	<b>955</b>

**Note 4F: Depreciation and amortisation**

Depreciation		
Land & buildings	8,300	8,300
Property, plant and equipment	39,609	24,844
<b>Total depreciation</b>	<b>47,909</b>	<b>33,144</b>
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>47,909</b>	<b>33,144</b>

	2019	2018
	\$	\$
<b>Note 4G: Finance costs</b>		
Interest on Finance leases	833	1,952
Bank charges/credit card merchant fee	6,075	6,097
Unwinding of discount	-	-
<b>Total finance costs</b>	<u>6,908</u>	<u>8,049</u>
<b>Note 4H: Legal costs</b>		
Litigation	-	-
Other legal matters	6,000	5,498
<b>Total legal costs</b>	<u>6,000</u>	<u>5,498</u>
<b>Note 4I: Write-down and impairment of assets</b>		
Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
<b>Total write-down and impairment of assets</b>	<u>-</u>	<u>-</u>
<b>Note 4J: Net losses from sale of assets</b>		
Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
<b>Total net losses from asset sales</b>	<u>-</u>	<u>-</u>
<b>Note 4K: Other expenses</b>		
Penalties - via RO Act or the <i>Fair Work Act 2009</i>	-	-
Payroll Tax	42,567	43,215
<b>Total other expenses</b>	<u>42,567</u>	<u>43,215</u>



Note 6	Non-current Assets	2019	2018
		\$	\$

**Note 6A: Land and buildings**

Land and buildings:			
fair value	580,000	580,000	
accumulated depreciation	(24,900)	(16,600)	
<b>Total land and buildings</b>	<b>555,100</b>	<b>563,400</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	(16,600)	(8,300)
<b>Net book value 1 January</b>	<b>563,400</b>	<b>571,700</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>555,100</b>	<b>563,400</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	580,000	580,000
Accumulated depreciation and impairment	(24,900)	(16,600)
<b>Net book value 31 December</b>	<b>555,100</b>	<b>563,400</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.

	2019	2018
	\$	\$
<b>Note 6B: Plant and equipment</b>		
Plant and equipment:		
at cost	431,449	323,176
accumulated depreciation	(277,239)	(266,943)
<b>Total plant and equipment</b>	<b>154,210</b>	<b>56,233</b>

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

<b>As at 1 January</b>		
Gross book value	323,176	288,739
Accumulated depreciation and impairment	(266,943)	(242,099)
<b>Net book value 1 January</b>	<b>56,233</b>	<b>46,640</b>
Additions:		
By purchase	139,448	34,437
From acquisition of entities (including restructuring)	-	-
Impairments	-	-
Depreciation expense	(39,609)	(24,844)
Other movement	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	(1,862)	-
<b>Net book value 31 December</b>	<b>154,210</b>	<b>56,233</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	431,449	323,176
Accumulated depreciation and impairment	(277,239)	(266,943)
<b>Net book value 31 December</b>	<b>154,210</b>	<b>56,233</b>

	2019	2018
	\$	\$
<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	17,396	10,199
Operating lease rentals	-	-
<b>Subtotal trade creditors</b>	<u>17,396</u>	<u>10,199</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>17,396</u>	<u>10,199</u>

Settlement is usually made within 30 days.

	2019	2018
	\$	\$
<b>Note 7B: Other payables</b>		
Superannuation	4,209	7,871
Payable to employers for making payroll deductions of membership subscriptions	-	-
Legal costs		
Litigation	-	-
Other legal matters	-	-
GST payable	30,214	30,069
PAYG Withholding Payable	31,076	25,877
Other	8,580	4,468
FBT Instalments Paid	(8,548)	(7,748)
<b>Total other payables</b>	<b>65,531</b>	<b>60,537</b>

Total other payables are expected to be settled in:

No more than 12 months	65,531	60,537
More than 12 months	-	-
<b>Total other payables</b>	<b>65,531</b>	<b>60,537</b>

**Note 7C: Finance lease liability**

Current portion of finance lease	-	15,611
<b>Total other non-current liabilities</b>	<b>-</b>	<b>15,611</b>

**Note 8 Provisions**

**Note 8A: Employee Provisions**

**Office Holders:**

Annual leave	26,750	24,944
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<b>26,750</b>	<b>24,944</b>

**Employees other than office holders:**

Annual leave	23,833	38,903
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>23,833</b>	<b>38,903</b>
<b>Total employee provisions</b>	<b>50,583</b>	<b>63,847</b>

Current	50,583	63,847
Non-Current	-	-
<b>Total employee provisions</b>	<b>50,583</b>	<b>63,847</b>





	2019	2018
	\$	\$

**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	635,966	672,212
Balance sheet	635,966	672,212
<b>Difference</b>	-	-

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

Profit/(deficit) for the year	81,708	(32,338)
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**Adjustments for non-cash items**

Depreciation/amortisation	47,909	33,144
Interest in finance lease	833	1,952
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	(4,957)	-

**Changes in assets/liabilities**

(Increase)/decrease in net receivables	(1,709)	(912)
(Increase)/decrease in other current assets	(9,884)	822
Increase/(decrease) in supplier payables	7,197	(4,718)
Increase/(decrease) in other payables	4,994	(18,426)
Increase/(decrease) in employee provisions	(13,264)	16,875
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<b>112,827</b>	<b>(3,601)</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>	-	-

	2019	2018
	\$	\$

**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 2019 *(31 December 2018: Nil)*

**Operating lease commitments—as lessor**

The Branch is not entered any non-cancellable operating lease commitments as at 31 December 2019 *(31 December 2018: Nil)*

**Capital commitments**

At 31 December 2019 the Branch has no capital commitments *(31 December 2018: Nil)*.

**Finance lease commitments—as lessee**

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

	2019	2018
	\$	\$
<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 2019 (31 December 2018: Nil)

2019	2018
\$	\$

**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**

<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	280,666	269,020
Annual leave accrued	26,750	8,437
Superannuation	26,978	26,358
Performance bonus	-	-
<b>Total short-term employee benefits</b>	<u>334,394</u>	<u>303,815</u>
<b>Post-employment benefits:</b>		
Superannuation	-	-
<b>Total post-employment benefits</b>	<u>-</u>	<u>-</u>
<b>Other long-term benefits:</b>		
Long-service leave	-	-
<b>Total other long-term benefits</b>	<u>-</u>	<u>-</u>
<b>Termination benefits</b>	-	-
<b>Total</b>	<u>-</u>	<u>-</u>

**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 2019 (2018: Nil).

**Note 14 Remuneration of Auditors**

<b>Value of the services provided</b>		
Financial statement audit services	9,000	14,442
Other services	-	-
<b>Total remuneration of auditors</b>	<u>9,000</u>	<u>14,442</u>

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

	2019	2018
<b>Note 15      Financial Instruments</b>	<b>\$</b>	<b>\$</b>

**Note 15A: Categories of Financial Instruments**

***Financial Assets***

Available-for-sale assets: fair value		
Investment in shares fair value	10	10
<b>Total</b>	10	10
Loans and receivables:		
Cash and Bank	635,966	672,212
Trade Debtors	6,721	5,012
Accrued interest receivable	3,146	3,312
<b>Total</b>	645,833	680,536
<b><i>Carrying amount of financial assets</i></b>	645,843	680,546

***Financial Liabilities***

Fair value through profit or loss:		
	-	-
<b>Total</b>	-	-
Other financial liabilities:		
Accounts payable and other payables	82,927	70,736
Finance lease payable	-	15,611
<b>Total</b>	82,927	86,347
<b><i>Carrying amount of financial liabilities</i></b>	82,927	86,347

	2019	2018
	\$	\$
<b>Note 15B: Net Income and Expense from Financial Assets</b>		
<b>Loans and receivables</b>		
Interest revenue	12,510	9,932
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) from loans and receivables</b>	<b>12,510</b>	<b>9,932</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>12,510</b>	<b>9,932</b>

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

<b>At amortised cost</b>		
Interest expense	833	1,952
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	<b>833</b>	<b>1,952</b>
<b>Net gain/(loss) from financial liabilities</b>	<b>833</b>	<b>1,952</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 2019 there were only \$6,721 outstanding trade receivables (2018: 5,012).

**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 2019**

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

**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>

**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>2019</b>	<b>2018</b>
	\$	\$
Financial assets	-	-
Financial liabilities	-	15,611

*Price risk*

The Branch is not exposed to price risk.

*Currency risk*

The Branch is not exposed to currency risk.

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 15G: Asset Pledged/or Held as Collateral</b>		
<b>Assets pledged as collateral</b>		
<b>Financial assets pledged as collateral:</b>		
Motor vehicle- WDV	-	7,535
<b>Total assets pledged as collateral</b>	-	<b>7,535</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 2019 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 2019 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 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
<b>Financial Assets</b>				
Cash and Bank	635,966	635,966	672,212	672,212
Other Trade receivables	6,721	6,721	5,012	5,012
Other Current Assets	3,146	3,146	3,312	3,312
Available for sale asset	10	10	10	10
<b>Total</b>	<b>645,843</b>	<b>645,843</b>	<b>680,546</b>	<b>680,546</b>
<b>Financial Liabilities</b>				
Trade and other payables	82,927	82,927	70,736	70,736
Finance lease liability	-	-	15,611	15,611
<b>Total</b>	<b>82,927</b>	<b>82,927</b>	<b>86,347</b>	<b>86,347</b>

Note: The fair value of financial assets and financial liabilities is not materially different than their carrying value as at 31 December 2019 and 31 December 2018.

**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 2019**

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

**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	2017	\$ -	\$ 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>				

2019                      2018  
\$                                \$

**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**

<b>Revenue</b>		
Membership subscription	-	-
Capitation fees	-	-
Levies	-	-
Interest	-	-
Rental revenue	-	-
Other revenue	-	-
Grants and/or donations	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>
<b>Expenses</b>		
Employee expense	-	-
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Administration expenses	-	-
Grants or donations	-	-
Finance costs	-	-
Legal costs	-	-
Audit fees	-	-
Penalties - via RO Act or <i>Fair Work Act 2009</i>	-	-
Other expenses	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</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 Commissioner, may apply to the Branch for specified prescribed information in relation to the Branch to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Branch.
- (3) A Branch must comply with an application made under subsection (1).

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

I, Adam Lampe, being the Branch Secretary of the Australian Education Union, Northern Territory Branch, declare that the following activities did not occur during the reporting period ended 31 December 2019.

The reporting unit did not:

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

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

- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- 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. Lange*  
Dated: *15.05.2020*

Signed by the officer: *A. Lange*  
Dated: *15.05.2020*