



4 July 2018

Mr Graham Moloney
Secretary, Queensland Branch
Australian Education Union

Dear Mr Moloney

Re: – Queensland Branch, Australian Education Union - financial report for year ending 31 December 2017 (FR2017/372)

I refer to the financial report of the Queensland Branch of the Australian Education Union. The documents were lodged with the ROC on 13 June 2018.

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

You are not required to take any further action in respect of the report lodged. Please note the report for year ending 31 December 2018 may be subject to an advanced compliance review.

Reporting requirements

New Reporting Guidelines will apply to organisations and branches with financial years commencing on or after 1 July 2017. The new Reporting Guidelines are now available on the ROC website and any further information or updates on the guidelines will be provided through the [subscription service](#).

On the ROC website is a number of factsheets in relation to the financial reporting process and associated timelines. Along with the new Reporting Guidelines, a model set of financial statements can also be found. The ROC recommends reporting units use this model as it will assist in ensuring compliance with the RO Act, the s.253 Reporting Guidelines and the Australian Accounting Standards. Access to this information may be obtained via [this link](#).

If you have any questions about the above or the reporting requirements, please do not hesitate to contact me by email at stephen.kellett@roc.gov.au.

Yours faithfully

A handwritten signature in black ink that reads "Stephen Kellett".

Stephen Kellett
Financial Reporting
Registered Organisations Commission



AUSTRALIAN EDUCATION UNION

Queensland Branch ABN 47 599 010 588

The Teachers' Building, 21 Graham Street, Milton, Queensland, Australia

Ph: 07 3512 9000 Fax: 07 3512 9050

Address all correspondence to: The Branch Secretary, PO Box 1591, Milton BC, Q 4064

In reply please quote: JW:MD

12 June 2018

Registered Organisations Commission
GPO Box 2983
MELBOURNE Vic 3001

Dear Sir / Madam

Please find enclosed the dated Financial Statements for the year ended 31 December 2017 for the Australian Education Union (Queensland Branch) accompanied by a verification statement from the Branch Secretary, Mr Graham Moloney.

Yours sincerely

A handwritten signature in black ink, appearing to be 'John Wild', written over a faint, illegible stamp or watermark.

John Wild
Finance and Corporate Services Manager

Encl



AUSTRALIAN EDUCATION UNION

Queensland Branch ABN 47 599 010 588

The Teachers' Building, 21 Graham Street, Milton, Queensland, Australia

Ph: 07 3512 9000 Fax: 07 3512 9050

Address all correspondence to: The Branch Secretary, PO Box 1591, Milton BC, Q 4064

Designated Officer's Certificate or other Authorised Officer
s268 Fair Work (Registered Organisations) Act 2009

I, Graham Moloney, being the Branch Secretary of the Australian Education Union (Queensland Branch) certify:

- that the documents lodged herewith are copies of the full report referred to in s268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the full report, was provided to members on 17 May 2018; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 11 June 2018; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature:

Date: 12 June 2018



QUEENSLAND BRANCH

Financial Statements

2017



OPERATING REPORT

The Committee of Management of the Queensland Branch of the Australian Education Union present this operating report in relation to the financial year ended 31 December 2017.

Principal Activity

The principal activity during the financial year was to undertake the function of a trade union of employees.

Review of Activities

The Australian Education Union (Queensland Branch) is the federal counterpart of the Queensland Teachers' Union of Employees ("the QTU"), a union registered under the Industrial Relations Act 1999 (Queensland), with virtually identical membership. Because the members of the two organisations are all employed under Queensland industrial laws, the principal activities on behalf of members are conducted by the QTU.

Members of both organisations were fully represented in the national decision-making forums of the Australian Education Union including the Federal Conference, the National TAFE Council, the Federal Executive and the National TAFE Council Executive.

Members of both organisations were also represented on the Principals Committee, the Early Childhood Education Committee, and the Aboriginal and Torres Strait Islander Committee. A member of both organisations was also a member of the International Trust Fund Committee.

Members of both organisations participated in a number of nationally organised campaigns in support of fair federal funding for public schools, guaranteed VET funding and in support of early childhood members.

Officers and employees of the QTU also participated in a range of national meetings in specialist areas including the federal funding campaign, industrial matters, research, women's issues and new educators.

Result of Activities

The views of members of the Australian Education Union (Queensland Branch) and of its associated body, the Queensland Teachers' Union, have been effectively represented in national and international industrial relations and education forums, including the Australian Council of Trade Unions and Education International, and the debates within these associations. Campaigns for funding are on-going. Funding arrangements established in 2017 are unfair and disappointing but hardly surprising given the biases of the current federal government.

Significant Changes in the Principal Activities and Financial Affairs of the Branch

There have been no significant changes to the nature of the principal activities of the Branch and there have been no significant changes in the financial affairs during the year of the branch.

Rights of Members to Resign

As specified in Rule 17(3) of the Federal Branch Rules of the Australian Education Union, 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.

No Members or Officers are Trustees of a Superannuation Entity or an Exempt Public Sector Superannuation Scheme

The committee of management is not aware of any officers or members of the Branch who are:

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

Number of Members

As at 31 December 2017, the number of members was 44,180 (2016 - 43,179).

Number of Employees

There were 0 employees for the year (2016 - 0 employees).

Committee of Management

The names of each Executive member during the year ended 31 December 2017 were:

1 January 2017 - 28 February 2017

Graham Moloney (Branch Secretary)	Kevin Bates (Branch President)
Kate Ruttiman (Branch Deputy Secretary)	Samantha Pidgeon (Branch Vice President)
Andrew Beattie	Allan Cook
Peter Darben	
Leah Olsson	Nikki Roos
Robyn Sugden (resigned 28 February 2017)	Cresta Richardson
Jenny Swadling	Penny Taylor

1 March 2017 - 31 December 2017

Graham Moloney (Branch Secretary)	Kevin Bates (Branch President)
Kate Ruttiman (Branch Deputy Secretary)	Samantha Pidgeon (Branch Vice President)
Andrew Beattie	Allan Cook
Peter Darben	Leah Olsson
Nick Shirley (appointed 1 March 2017)	
Nikki Roos	Cresta Richardson
Jenny Swadling	Penny Taylor

This report is made in accordance with a resolution of the Committee of Management on 14 May, 2018.



Graham Moloney
Branch Secretary

Dated: 14 May, 2018
Brisbane, Queensland

COMMITTEE OF MANAGEMENT REPORT

On the 14th May, 2018 the Executive of the Queensland Branch of the Australian Education Union (The Committee of Management) passed the following resolution, in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 31 December 2017:

The Committee of Management declares in relation to the GPFR that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable;
- (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 Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation; and
 - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the Registered Organisations Act has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the Registered Organisations Act, there has been compliance.
- (f) In relation to the recovery of wages activity:
 - (i) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

This report is made in accordance with a resolution of the Committee of Management dated 14 May, 2018



Graham Moloney
Branch Secretary

Dated: 14 May, 2018
Brisbane, Queensland

INDEPENDENT AUDITOR'S REPORT



Ernst & Young
111 Eagle Street
Brisbane QLD 4000 Australia
GPO Box 7878 Brisbane QLD 4001

Tel: +61 7 3011 3333
Fax: +61 7 3011 3100
ey.com/au

Independent auditor's report to the members of the Australian Education Union (Queensland Branch)

Opinion

We have audited the accompanying financial report of Australian Education Union (Queensland Branch) ("the Branch"), which comprises the statement of financial position as at 31 December 2017, the statement of changes in accumulated funds, the statement of comprehensive income, the cash flow statement and Committee's Management Statement for the year ended on that date, a summary of significant accounting policies, and other explanatory notes.

In our opinion the financial report presents fairly, in all material respects, the financial position of Australian Education Union (Queensland Branch) as of 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.

Basis for Opinion

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

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

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

The members of the Committee of Management are responsible for the other information. The other information is the operating report accompanying the financial report.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the Financial Report

The members of the Committee of Management of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and with Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* and for such internal controls as the Committee of Management determine are necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT CONTINUED



Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

We communicate with 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 we identify during our audit.

Paula McLuskie
Chartered Accountant
Certificate of Public Practice: 320791

Ernst & Young
Brisbane
14 May 2018

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

ACCUMULATED FUNDS	2017	2016
	\$	\$
General Fund	<u>66</u>	<u>66</u>
Represented by		
ASSETS		
CURRENT ASSETS		
Cash And cash equivalents	3,366	3,366
Trade and Other Receivables		
Receivables from other reporting units	<u>0</u>	<u>0</u>
Less Provision for doubtful debts	<u>0</u>	<u>0</u>
Total Receivables	<u>0</u>	<u>0</u>
Total current assets	<u>3,366</u>	<u>3,366</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade Payables & Accruals	<u>3,300</u>	3,300
Payables in respect of all legal costs	<u>0</u>	<u>0</u>
Payables to employers as consideration for employer making payroll deductions of membership		
Payables to other reporting units	<u>0</u>	<u>0</u>
Total current liabilities	<u>3,300</u>	<u>3,300</u>
PROVISIONS		
Employee Provisions	<u>0</u>	<u>0</u>
Total Provisions	<u>0</u>	<u>0</u>
TOTAL LIABILITIES	<u>0</u>	<u>0</u>
NET ASSETS	<u>\$66</u>	<u>\$66</u>

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

FOR THE PERIOD ENDED 31 DECEMBER 2017

ACCUMULATED FUNDS	2017	2016
	\$	\$
Balance 1 January 2017	66	66
Profit / (Loss) for the year	<u>0</u>	<u>0</u>
TOTAL ACCUMULATED FUNDS	<u><u>\$66</u></u>	<u><u>\$66</u></u>

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
Revenue		
Membership Subscriptions	1,647,815	1,621,707
Election Campaign Advertising	0	0
Capitation Fees	0	0
Compulsory Levies	0	0
Public Education Levy	156,228	156,952
ACTU - Levy	0	0
Bank Interest	0	1
Donations from Queensland Teachers' Union	3,512	3,299
Total revenue	1,807,555	1,781,959
Other Income		
Grants and/or donations	0	0
Total other income	0	0
Total Income	1,807,555	1,781,959
Expenses		
Audit Fees for the audit of Financial Statements	3,399	3,300
Election Campaign Advertising	0	0
Postage	113	0
Legal Costs	0	0
Employee Expenses	0	0
Fees incurred as consideration for employers making payroll deductions of members subscriptions	0	0
Fees/Allowances paid to persons to attend conferences/meetings as a representative of the reporting unit	0	0
Grants/Donations	0	0
Penalties imposed under RO Act	0	0
Affiliation Fees	0	0
Capitation Fees - Australian Education Union Federal	1,199,050	1,169,292
Public Levies - Australian Education Union Federal	137,481	138,118
ACTU Subscriptions - Australian Education Union Federal	229,655	223,657
Educational International - Australian Education Union Federal	81,629	90,640
ACTU Levy - Australian Education Union Federal	0	0
Public Education Levy - Australian Education Union Federal	156,228	156,952
Total expenses	1,807,555	1,781,959
Profit (loss)for year	0	0
Other comprehensive income	0	0
Total comprehensive Income for the year	0	0

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 INFLOWS (OUTFLOWS) \$	2016 INFLOWS (OUTFLOWS) \$
CASH FLOWS FROM OPERATING ACTIVITIES		
		Notes
CASH RECEIVED		
Donations Received	3,512	\$3,299
Election Campaign Advertising	0	0
Interest Received	0	\$1
Membership Subscriptions	1,647,815	\$1,621,707
Public Education Levy	156,228	\$156,952
ACTU Levy	0	0
GST Received	180,755	\$169,629
CASH USED		
Supplies and Other	-\$3,512	-\$3,300
Capitation Fees - Australian Education Union Federal	-\$1,199,050	-\$1,169,292
Public Levies - Australian Education Union Federal	-\$137,481	-\$138,118
ACTU Subscriptions - Australian Education Union Federal	-\$229,655	-\$223,657
Educational International - Australian Education Union Federal	-\$81,629	-\$90,640
Public Education Levy- Australian Education Union Federal	-\$156,228	-\$156,952
ACTU - Levy - Australian Education Union Federal	0	0
Election Campaign Advertising	0	0
GST Paid to Suppliers and Others	-\$180,755	-\$169,629
Net cash flows from operating activities	4 0	0
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flows from investing activities	0	0
CASH FLOWS FROM FINANCING ACTIVITIES		
Net cash flows from financing activities	0	0
Net (decrease)/ increase in cash held	0	0
Cash at beginning or reporting period	\$3,366	\$3,366
Cash and cash equivalents at the end of the reporting period	\$3,366	\$3,366

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1A – CORPORATE INFORMATION

The financial report is for Australian Education Union (Queensland Branch) (“the Branch”).

The principal place of business and the registered address for the Branch is 21 Graham Street, Milton Q 4064.

The GPFR is presented in Australian Dollars (AUD).

NOTE 1B – ACCOUNTING POLICIES

(a) Basis of Preparation of Accounts

The financial report is a General Purpose Financial Report (GPFR) which has been prepared in accordance with Australian Accounting Standards, the Fair Work (Registered Organisations) Act 2009 and other mandatory professional reporting requirements (Urgent Issues Group Consensus Views).

The GPFR has also been prepared in accordance with the historical cost basis.

The GPFR has also been prepared on the basis that the Union is a not-for-profit entity.

(b) Significant Accounting Judgements and Estimates

There are no significant accounting judgements and estimates.

(c) Income Tax

No provision for income tax is made in the accounts as the Union is exempt from income tax under Section 50-15 of the Income Tax Assessment Act 1997.

(d) Employees

All officers and staff are employed by the Queensland Teachers' Union of Employees. There were no expenses incurred as consideration for the Queensland Teachers' Union of Employees as the employer making payroll deductions of membership subscriptions.

(e) Statement of Compliance

The GPFR complies with Australian Accounting Standards, which include Australian equivalents to International Financial Reporting Standard ('AIFRS'). Compliance with AIFRS ensures that the financial report, comprising the financial statements and notes thereto, complies with International Financial Reporting Standards ('IFRS').

(f) Going Concern

The reporting unit is reliant upon the agreed written financial support of the Queensland Teachers' Union of Employees. This support is to ensure the reporting unit can meet its liabilities as and when they fall due but only to the extent that money is not otherwise available to meet such liabilities. The Queensland Teachers' Union of Employees were not required to provide any funds.

The reporting unit has not provided financial support to any reporting units.

The reporting unit is not reliant on the agreed financial support of another reporting unit.

(g) Asset or Liability Acquisitions

The reporting entity has not acquired an asset nor a liability due to an amalgamation under Part 2 of Chapter 3 of the Registered Organisations Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager.

(h) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Union and the revenue can be reliably measured. All revenue is measured at the fair value of the consideration received or receivable.

Revenue from Membership Subscriptions and Public Education Levies is recognised upon delivery of the service.

Donations and Interest Received Income is recognised when they are received.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

(i) Expenses

There have been no expenses incurred in connection with holding meetings of members of the reporting unit and any conferences or meetings of councils, committees, panels or other bodies for the holding of which the reporting unit was wholly or partly responsible.

There have also been no expenses incurred for legal costs and other expenses related to litigation and other legal matters.

(j) Cash and Cash Equivalents

Cash and short term deposits in the balance sheet comprise cash at bank, in hand and short term deposits with a maturity date of less than three months.

For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(k) New Australian Accounting Standards & Interpretations

Adoption of New Australian Accounting Standard Requirements

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

Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the signing-off date and are applicable to the future reporting period that are expected to have a future financial impact on the reporting unit include:

AASB 15: Revenue from Contracts with Customers

(applicable for annual reporting periods beginning on or after 1 January 2018)

When effective, this Standard will replace the current accounting requirements applicable to revenue with a single, principle-based model. Except for a limited number of exceptions, including leases, the new revenue model in AASB 15 will apply to all contracts with customers as well as non-monetary exchanges between entities in the same line of business to facilitate sales to customers and potential customers.

The core principle of the Standard is that an entity will recognise 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 goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- Identify the contract(s) with the customer;
- Identify the performance obligations in the contract(s);
- Determine the transaction price;
- Allocate the transaction price to perform obligations in the contract(s); and
- Recognise revenue when (or as) the performance obligations are satisfied.

This Standard will require retrospective restatement, as well as enhance disclosures regarding revenue.

The Committee of Management anticipate that the adoption of AASB 15 will not have a significant impact on the reporting unit's financial statements.

AASB 16: Lease

(applicable to annual reporting periods beginning on or after 1 January 2018)

AASB 16 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognise a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligations to make lease payments.

A lessee measure right-of-use assets similarly to other non-financial assets (such as property, plant and equipment) and lease liabilities similarly to other financial liabilities. As a consequence, a lessee recognises

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

depreciation of the right-of-use asset and interest on the lease liability, and also classifies cash repayments of the lease liability into a principal portion and an interest portion and presents them in the statement of cash flows applying to AASB 107 Statement of Cash Flows.

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 reasonable certain to exercise an option to extend the lease, or note to exercise an option to terminate the lease.

Although the Committee of Management anticipate that the adoption of AASB 16 may have an impact on the reporting unit's financial statements, it is impractical at this stage to provide a reasonable estimate of such impact.

NOTE 2 – INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER

In accordance with the requirements of Fair Work (Registered Organisations) Act 2009 the attention of members is drawn to the provisions of sub-sections (1), (2) and (3) of section 272 which reads as follows:

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

NOTE 3 – SEGMENT INFORMATION

The Queensland Branch of the Australian Education Union operates solely as the Queensland branch of a trade union in Australia, and is domiciled in Australia.

NOTE 4 - STATEMENT OF CASH AND CASH EQUIVALENTS

- (a) Reconciliation of the operating surplus/(deficiency) with the net cash flows from operating activities

	2017	2016
	\$	\$
Operating surplus/(deficiency)	0	0
Movement in assets and liabilities:		
Decrease/(increase) in sundry debtors	0	0
Decrease/(increase) in sundry creditors	0	98
Net cash flows from operating activities	<u>0</u>	<u>98</u>

- (b) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December 2017

	2017	2016
Cash on hand and at bank	<u>\$3,366</u>	<u>\$3,366</u>

Cash at Bank earns interest at floating rates based on daily bank deposit rates.

Fair value of cash and cash equivalents is \$ 3,366 (2016 - \$3,366).

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

NOTE 5 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

(a) Terms, conditions and accounting policies

The reporting unit's principal financial instruments comprise receivables, payables, cash and cash equivalents.

The objective of risk management is to support the delivery of the reporting unit's financial and non-financial targets whilst protecting future financial security. The main risks arising from the reporting unit's financial instruments are interest rate risk, credit risk and liquidity risk.

(b) Risk exposures and responses

(i) Interest rate risk

The reporting unit has minimal exposure to interest rate risks. At balance date, the reporting unit had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	2017	2016
Financial Assets	\$	\$
Cash and cash equivalents:		
Cash at bank and on hand	3,366	3,366
Short term deposits	0	0
Net Exposure	<u>\$3,366</u>	<u>\$3,366</u>

The reporting unit constantly analyses its interest rate exposure. Within this analysis, consideration is given to the renewal periods of short-term deposits and the amount of cash at bank and on hand held in the reporting unit's trading account to cover cash flow requirements of the reporting unit.

The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date.

At 31 December 2017, if interest rates had moved, as illustrated in the table below, with all other variables held constant, the surplus would have been affected as follows:

Judgements of reasonably possible movements:	2017	2016
	\$	\$
+1% (100 basis points)	34	34
-0.5% (50 basis points)	(17)	(17)

(ii) Credit risk exposures

The reporting unit's credit risk arises from financial assets comprising cash and cash equivalents and trade and other receivables. The reporting unit's exposure to credit risk arises from potential default of the counter party (namely, union members), with a maximum exposure to credit risk at balance date in relation to each class of recognised financial asset being the carrying amount of those assets as indicated in the Balance Sheet.

In addition, receivable balances are monitored on an on-going basis with the result that the reporting unit's exposure to Bad Debts is not significant.

Concentration of credit risk arises as all subscription income is from members employed in the Queensland Public Education Sector.

Trade and other receivables are recognised as follows:

Dues in Arrears - Carried at GST inclusive nominal amounts less provision for doubtful debts

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

(iii) Liquidity risk

The reporting unit has little exposure to liquidity risk as there are no fixed term loans.

The contractual maturities of the reporting unit's financial liabilities are:

	2017	2016
	\$	\$
No later than one year	3,300	3,300
Later than one year and not later than five years	0	0
Later than five years	0	0
Total	3,300	3,300

Maturity analysis of financial assets and liabilities based on management's expectation.

The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows.

Year ended 31 December 2017

	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial Liabilities:					
Sundry Creditors & Accruals	3,300	0	0	0	3,300
Sundry Dues in Advance	0	0	0	0	0
	<u>3,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,300</u>

Year ended 31 December 2016

	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial Liabilities:					
Sundry Creditors & Accruals	3,300	0	0	0	3,300
Sundry Dues in Advance	0	0	0	0	0
	<u>3,300</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,300</u>

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date approximates the carrying values.

(d) Fair value estimation

The carrying amounts of the reporting unit's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or losses are measured at fair value with changes in their value recognised in profit or loss.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017 (CONTINUED)

(e) Fair value hierarchy

Classification of financial assets and financial liabilities

The reporting unit classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1);
- Inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2);
- Inputs for the assets or liability that are not based on observable market data (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. The Union's managed funds are classified as level 1 in the fair value hierarchy.



Graham Moloney
Branch Secretary

Dated: 14 May, 2018
Brisbane, Queensland



AEU Queensland Branch

21 Graham Street, Milton Q 4064

Ph (07) 3512 9000

Fax (07) 3512 9050