



8 July 2021

Kate Ruttiman
Branch Secretary
Australian Education Union – QLD Branch

Sent via email: qtu@qtu.asn.au
CC: Madhu.nair@au.ey.com
hpatel@qtu.asn.au

Dear Kate Ruttiman,

**Australian Education Union - QLD
Financial Report for the year ended 31 December 2020 – (FR2020/324)**

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Australian Education Union – QLD Branch (**the reporting unit**). The documents were lodged with the Registered Organisations Commission (**the ROC**) on 22 June 2021. I also acknowledge receipt of the amended designated officer's certificate which was lodged with the ROC on 23 June 2021.

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 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 2021 will be subject to an advanced compliance review.

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

Timescale requirements

Lodgement of the full report

The reporting unit submitted to the ROC a copy of its financial report on 7 June 2021. The included designated officer's certificate dated 4 June 2021, declared that the full report was presented to a committee of management meeting on 24 May 2021. However, the reporting unit confirmed with the ROC on 9 June 2021 that only the draft financial report was presented at the abovementioned meeting. Therefore, on the initial submission of the financial report on 7 June 2021, the full report had not been presented to a meeting as per the requirements under section 266 of the RO Act.

Under subsection 266(3) of the RO Act, which allows for the full report to be presented to a meeting of the committee of management when the rules of the organisation provide for this, the

timing of this meeting must be in accordance with subsection 266(1), that is, within 6 months after the end of the financial year.

The reporting unit subsequently lodged the full report with the ROC on 22 June 2021 after it was presented to the relevant section 266 meeting on 21 June 2021.

Even though in this instance the reporting unit was able to remedied the non-compliance and met the requirements under subsection 266(3) of the RO Act, I would like to remind the reporting unit that subsection 266(1) is a civil penalty provision.

Reports must be provided to members within 5 months after end of financial year where report is presented to committee of management meeting

Under subsection 265(5)(b) of the RO Act, where the report is presented to a committee of management meeting, the report must be provided to members within 5 months of the end of the financial year.

Under subsection 265(1)(a), 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 amended designated officer's certificate states the following:

- the financial statements were provided to members on 27 May 2021;
- the officer's declaration statement was provided to members on 4 June 2021; and
- the Independent Assurance Report was provided to members on 22 June 2021.

Based on the above dates, it appears that the members of the reporting unit were not provided with a copy of the full report within 5 months after the end of financial year.

Please note that subsection 265(5) is also a civil penalty provision and future failure to meet this timeline may result in an inquiry into the organisation and the Commissioner of the ROC may apply under section 310(1) of the RO Act to the Federal Court of Australia for a pecuniary penalty order to be imposed on your organisation and, potentially, an officer whose conduct led to the non-compliance.

General purpose financial report (GPFR)

Non-compliance with previous requests

While we filed last year's financial report, we raised certain issues for the reporting unit to address in the preparation of future financial reports. I note that the same errors have appeared in the current report, namely:

- AASB 15 – No revenue from contracts with customers disclosures and disaggregation of revenue from contracts with customers; and
- Recovery of wages disclosure.

The ROC aims to assist reporting units comply with their obligations under the RO Act and reporting guidelines by providing advice about the errors identified in financial reports. These issues and suggested solutions were discussed with the reporting unit's Acting Finance and Corporate Services Manager on 10 June 2021. Please ensure that these issues are addressed in next year's financial report.

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

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

- Receiving capitation fees is disclosed in both the statement of comprehensive income and the officer's declaration statement.

Please note that nil activities only need to be disclosed once

Inconsistency in disclosure

The cash flow statement includes cash outflows to the Australian Education Union Federal for payment of capitation fees, public levies, ACTU subscriptions, Educational International, Public Education Levy and ACTU – Levy. The officer's declaration statement, however, includes a nil disclosure of providing cash flows to another reporting unit and/or controlled entity.

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 section 253 reporting guidelines 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 section 253 reporting guidelines 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.

Yours sincerely,



Kylie Ngo
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

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

I, Kate Ruttiman, 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 financial statements was provided to members on 27 May 2021; and
- that the Officer's Declaration Statement was provided to the members on 4 June 2021, and
- that the Independent Assurance Report was provided to the members on 22 June 2021, and
- that the full report, together with the Officer's Declaration Statement together with the Independent Assurance Report was presented to a meeting of the committee of management of the reporting unit on 21 June 2021; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature: *K. J. Ruttiman*

Date: 23 June 2021



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- that the Independent Assurance Report was provided to the members on 22 June 2021, and
- that the full report, together with the Officer's Declaration Statement together with the Independent Assurance Report was presented to a meeting of the committee of management of the reporting unit on 21 June 2021; in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature: *K. J. Ruttiman*

Date: 23 June 2021



QUEENSLAND BRANCH

Financial Statements

2020

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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 2020.

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.

Queensland state sector teachers and principals, as 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.

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.

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 2020, the number of members was 44,482 (2019 – 44,297).

Number of Employees

There were 0 employees for the year (2019 - 0 employees).

Committee of Management

The names of each Executive member during the year ended 31 December 2020 were:

1 January 2020 – 28 February 2020

Graham Moloney (Branch Secretary)	Kevin Bates (Branch President)
Kate Ruttiman (Branch Deputy Secretary)	Jenny Swadling (Branch Vice President)
Brendan Crotty	Peter Darben
Kerry O'Connor	Leah Olsson
Cresta Richardson	Nikki Roos
Penny Taylor	Andrew Thomson
Scott Tibaldi	

1 March 2020 – 31 December 2020

Graham Moloney (Branch Secretary)	Kevin Bates (Branch President)
Kate Ruttiman (Branch Deputy Secretary)	Jenny Swadling (Branch Vice President)
Brendan Crotty	Peter Darben
Kerry O'Connor	Leah Olsson
Nikki Roos	Cresta Richardson
Penny Taylor	Andrew Thompson
Scott Tibaldi	

This report is made in accordance with a resolution of the Committee of Management on [date], 2021.



Kate Ruttiman
Branch Secretary (Appointed Branch Secretary 29 March 2021)

Dated: 26 May, 2021
Brisbane, Queensland

COMMITTEE OF MANAGEMENT REPORT

On 20 April, 2021 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 2020:

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 20 April, 2021.



Kate Ruttiman
Branch Secretary

Dated: 26 May, 2021
Brisbane, Queensland

INDEPENDENT AUDITOR'S REPORT



**Building a better
working world**

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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 2020, the statement of changes in accumulated funds, the statement of comprehensive income, the cash flow statement for the year then ended, notes to the financial statements, including a summary of significant accounting policies, subsection 255(2A) and the Committee of Management's statement.

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 2020, 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.

INDEPENDENT AUDITOR'S REPORT CONTINUED



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 the 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.

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.

INDEPENDENT AUDITOR'S REPORT CONTINUED



- 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.

Declaration by the auditor

I, Madhu Nair, declare that I am an approved auditor, as registered by the RO Commissioner under the Act: AA 2020/16.

A handwritten signature in black ink, appearing to read 'm Madhu Nair', with a horizontal line underneath.

Madhu Nair
Partner

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style, with a horizontal line underneath.

Ernst & Young
Brisbane
26 May 2021

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

ACCUMULATED FUNDS	2020	2019
	\$	\$
General Fund	66	66
Represented by		
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	3,566	3,566
Trade and Other Receivables		
Receivables from other reporting units	0	0
Less Provision for estimated credit losses	0	0
Total Receivables	0	0
Total current assets	3,566	3,566
LIABILITIES		
CURRENT LIABILITIES		
Trade Payables & Accruals	3,500	3,500
Payables in respect of all legal costs	0	0
Payables to employers as consideration for employer making payroll deductions of membership subscriptions	0	0
Payables to other reporting units	0	0
Total current liabilities	3,500	3,500
PROVISIONS		
Employee Provisions	0	0
Total Provisions	0	0
TOTAL LIABILITIES	3,500	3,500
NET ASSETS	66	66

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

FOR THE PERIOD ENDED 31 DECEMBER 2020

ACCUMULATED FUNDS	2020	2019
	\$	\$
BALANCE AS AT 1 JANUARY 2020	66	66
Profit / (Loss) for the year	0	0
TOTAL ACCUMULATED FUNDS	<u>\$66</u>	<u>\$66</u>

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	\$	\$
Revenue		
Membership Subscriptions	1,969,217	1,859,698
Election Campaign Advertising	0	0
Capitation Fees	0	0
Compulsory Levies	0	0
Public Education Levy	159,782	165,564
ACTU - Levy	0	0
Bank Interest	0	0
Donations from Queensland Teachers' Union	3,622	3,717
Total revenue	\$2,132,621	\$2,028,979
Other Income		
Grants and/or donations	0	0
Total other income	0	0
Total income	2,132,621	2,028,979
Expenses		
Audit Fees for the audit of Financial Statements	3,500	3,599
Election Campaign Advertising	0	0
Postage	122	118
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	1,416,620	1,348,519
Public Levies - Australian Education Union Federal	159,782	151,491
ACTU Subscriptions - Australian Education Union Federal	269,445	255,383
Educational International - Australian Education Union Federal	111,804	104,305
ACTU Levy - Australian Education Union Federal	0	0
Public Education Levy - Australian Education Union Federal	171,348	165,564
Total expenses	\$2,132,621	\$2,028,979
Profit/(loss)for year	0	0
Other comprehensive income	0	0
Total comprehensive income for the year	0	0

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	INFLOWS (OUTFLOWS)	INFLOWS (OUTFLOWS)
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
	Notes	
CASH RECEIVED		
Donations Received	3,622	6,116
Election Campaign Advertising	0	0
Interest Received	0	0
Membership Subscriptions	1,969,217	1,859,698
Public Education Levy	159,782	165,564
ACTU Levy	0	0
GST Received	201,720	192,447
CASH USED		
Supplies and Other	-3,622	-3,517
Capitation Fees - Australian Education Union Federal	-1,416,620	-1,348,519
Public Levies - Australian Education Union Federal	-159,782	-151,491
ACTU Subscriptions - Australian Education Union Federal	-269,445	-255,383
Educational International - Australian Education Union Federal	-111,805	-104,305
Public Education Levy- Australian Education Union Federal	-171,348	-165,564
ACTU - Levy - Australian Education Union Federal	0	0
Election Campaign Advertising	0	0
GST Paid to Suppliers and Others	-201,720	-192,447
Net cash flows from operating activities	0	2,599
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	2,599
Cash at beginning or reporting period	3,566	967
Cash and cash equivalents at the end of the reporting period	\$3,566	\$3,566

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

The financial report provides comparative information in respect of the previous period.

(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

As noted below, the adoption of AASB 15 *Revenue from Contracts with Customers* has resulted in the following revenue categories for the Union:

Revenue from Membership Subscriptions and Public Education Levies is recognised over time on the basis of the term of the membership.

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 2020 (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 cash equivalents in the Statement of Financial Position 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

In the current year, the Union has adopted all of the applicable new and revised Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are relevant to its operations.

The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Branch.

AASB 16 Leases

AASB16 Leases, which superseded the previous AASB117 Leases, sets out the principles for recognition, measurement, presentation and disclosure. It requires the recognition of a right-of-use asset and a lease liability for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Union has elected to adopt AASB 16 Leases from 1 January 2019 using the modified retrospective approach and as such comparatives have not been restated. The right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for previously recognised prepaid and accrued lease payments. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Upon adoption of AASB 16, the Union applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The Union recognised lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

AASB 15 Revenue from Contract with Customers

AASB 15 supersedes AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with its customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Union adopted AASB 15 using the modified retrospective application, with the cumulative effect of initially applying the standard adjusted to the opening balance of the retained earnings. Consequently, the 2018 comparative figures are reported according to AASB 118 and has not been restated to reflect the numbers accordingly to AASB 15. The most relevant changes compared to current accounting policy are: the previous "risk and rewards" framework is replaced by a control framework. This means that revenue from a sales transaction is recognised when (at a point in time) or as (over time) control of a good or service is transferred to a customer introducing a 'performance obligation' as a key term, including more detailed guidance in how to define a performance obligation and how to measure and recognise from a performance

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

obligation, introducing a more detailed guidance in general on measurement and recognition of revenue related items.

NOTE 2 – INFORMATION TO BE PROVIDED TO MEMBERS OR COMMISSIONER

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 Commissioner, 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

	2020	2019
	\$	\$
Operating surplus/(deficiency)	0	0
Movement in assets and liabilities:		
Decrease/(increase) in sundry debtors	0	2,399
Decrease/(increase) in sundry creditors	0	200
Net cash flows from operating activities	0	2,599

- (b) Reconciliation of Cash

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise the following at 31 December 2020.

	2020	2019
Cash on hand and at bank	\$3,566	\$3,566

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

Fair value of cash and cash equivalents is \$ 3,566 (2019 - \$3,566).

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.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

NOTE 5 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

(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:

	2020	2019
Financial Assets	\$	\$
Cash and cash equivalents:		
Cash at bank and on hand	3,566	3,566
Short term deposits	0	0
Net Exposure	<u>\$3,566</u>	<u>\$3,566</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 date.

At 31 December 2020, 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:	2020	2019
	\$	\$
+1% (100 basis points)	36	36
-0.5% (50 basis points)	(18)	(18)

(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 Statement of Financial Position.

In addition, receivable balances are monitored on an on-going basis with the result that the reporting unit's exposure to credit losses 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 estimated credit losses.

(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:

	2020	2019
	\$	\$
No later than one year	3,500	3,500
Later than one year and not later than five years	0	0
Later than five years	0	0
Total	<u>3,500</u>	<u>3,500</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

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 2020					
	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial Liabilities:					
Sundry Creditors & Accruals	3,500	0	0	0	3,500
Sundry Dues in Advance	0	0	0	0	0
	<u>3,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,500</u>
Year ended 31 December 2019					
	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial Liabilities:					
Sundry Creditors & Accruals	3,500	0	0	0	3,500
Sundry Dues in Advance	0	0	0	0	0
	<u>3,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,500</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.

(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.

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2020 (CONTINUED)

NOTE 6 – SUBSEQUENT EVENT NOTE – IMPACT OF THE CORONAVIRUS (COVID-19) OUTBREAK

During the financial year 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization in March 2020.

The Union have not seen a significant impact on the business during 2020 nor to date in 2021. The outbreak and the response of Governments in dealing with the pandemic is interfering with general activity levels within the community, the economy and the operations of our business. The scale and duration of these developments remain uncertain as at the date of this report however this may have an impact on our earnings, cash flow and financial condition.

It is not possible to estimate the impact of the outbreak's longer effects or Governments' varying efforts to combat the outbreak and support businesses. This being the case, the Union does not consider it practicable to provide a quantitative or qualitative estimate of the potential impact of this outbreak on the Union at this time.

The financial statements have been prepared based upon conditions existing at 31 December 2020 and considering those events occurring subsequent to that date, that provide evidence of conditions that existed at the end of the reporting period. Although the outbreak of COVID-19 occurred during 2020, its impact is considered an event that is indicative of conditions that will continue to arise after the reporting period and accordingly, no adjustments have been made to financial statements as at 31 December 2020 for the impacts of COVID-19.



Kate Ruttiman
Branch Secretary

Dated: 26 May, 2021
Brisbane, Queensland



AEU Queensland Branch

21 Graham Street, Milton Q 4064

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Report – Subsection 255 (2A) – Australian Education Union – Queensland Branch

Descriptive form

Categories of Expenditure	2020	2019
	\$	\$
Remuneration and other employment related costs and expenses	\$0	\$0
Advertising	\$0	\$0
Operating costs	\$2,132,621	\$2,028,979
Donations to political parties	\$0	\$0
Legal costs	\$0	\$0

Diagrammatic Form

As the operating costs form 100% of the costs a pie chart is not necessary.



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

Officer declaration statement

I, Kate Ruttiman, being the Branch Secretary of the Australian Education Union (Queensland Branch) declare that the following activities did not occur during the reporting period ending 31 December 2020.

The Australian Education Union (Queensland Branch) did not:

- receive capitation fees or any other revenue amount from another reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- 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
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting unit 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: *K. J. Ruttiman*

KATE RUTTIMAN
Branch Secretary (Appointed Branch Secretary 29 March 2021)

Dated: *4. 6. 2021.*



**Building a better
working world**

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Independent Assurance Report to the members of the Australian Education Union (Queensland Branch)

Opinion

We have undertaken a reasonable assurance engagement on the Australian Education Union's (Queensland Branch) (the Branch) compliance, in all material respects, with the requirements imposed by Part 3 section 253(2)(c) and section 255 of the *Fair Work (Registered Organisations) Act 2009* (the Act), for the year-ended 31 December 2020.

In our opinion, the officer's declaration statement has complied, in all material respects with the Part 3 section 253(2)(c) and 255 of the *Fair Work (Registered Organisations) Act 2009*, for the year-ended 31 December 2020.

Basis for Opinion

We conducted our engagement in accordance with Standard on Assurance Engagements ASAE 3100 *Compliance Engagements* issued by the Auditing and Assurance Standards Board.

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

Branch Secretary's Responsibilities for Compliance

The Branch Secretary is responsible for compliance with the requirements imposed by Part 3 section 253(2)(c) and section 255 of the Act and for such internal control as the secretary determines are necessary to identify the risks of non-compliance, mitigate those risks and monitor ongoing compliance.

Our Independence and Quality Control

We have complied with the independence and other relevant ethical requirements relating to assurance engagements and apply Auditing Standard ASQC 1 *Quality Control for Firms that Perform Audits and Reviews of Financial Reports and Other Financial Information, and Other Assurance Engagements* in undertaking this assurance engagement.

Assurance Practitioner's Responsibilities

Our responsibility is to express an opinion on Australian Education Union's compliance, in all material respects, with the Part 3 section 253(2)(c) and section 255 of the Act the year-ended 31 December 2020.

ASAE 3100 requires that we plan and perform our procedures to obtain reasonable assurance about whether, the Branch has complied, in all material respects, with the Part 3 section 253(2)(c) and section 255 of the Act for the year-ended 31 December 2020.

An assurance engagement to report on the Branch's compliance with the Part 3 section 253(2)(c) and section 255 of the Act involves performing procedures to obtain evidence about the compliance activity and controls implemented to meet the compliance activity. The procedures selected depend on our judgement, including the identification and assessment of risks of material non-compliance with the Part 3 section 253(2)(c) and section 255 of the Act.



Inherent Limitations

Because of the inherent limitations of an assurance engagement, together with the internal control structure it is possible that fraud, error, or non-compliance with compliance requirements may occur and not be detected.

A reasonable assurance engagement for the year-ended 31 December 2020 does not provide assurance on whether compliance with the Part 3 section 253(2)(c) and section 255 of the Act will continue in the future.

Restriction on Distribution and Reliance

This assurance report has been prepared in accordance with the requirements of the engagement letter signed 20 January 2021. Our report is intended solely for Australian Education Union's and the *Fair Work (Registered Organisations) Commission* (collectively the Recipients) and should not be distributed to parties other than the Recipients.

Declaration by the auditor

I, Madhu Nair, declare that I am an approved auditor, as registered by the Registered Organisations Commissioner under the Act: AA 2020/16.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style. Below the signature is a horizontal line with two dots underneath it.

Ernst & Young

A handwritten signature in black ink that reads 'Madhu Nair' in a cursive style. Below the signature is a horizontal line with two dots underneath it.

Madhu Nair
Partner
Brisbane
15 June 2021