



19 August 2020

Leah York  
Branch Secretary  
Australian Education Union - South Australian Branch  
Sent via email: [aeusa@aeusa.asn.au](mailto:aeusa@aeusa.asn.au)  
CC: [jdreckow@nexiaem.com.au](mailto:jdreckow@nexiaem.com.au)

Dear Leah York,

**Australian Education Union - South Australian Branch  
Financial Report for the year ended 31 December 2019 – (FR2019/352)**

I acknowledge receipt of the financial report for the year ended 31 December 2019 for the Australian Education Union - South Australian Branch. 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 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. 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.

**New Australian Accounting Standards**

Transition method

With the introduction of the new Australian Accounting Standard AASB 16 Leases and AASB 15 Revenue from Contracts with Customers an entity has the option to transition to this new standards via either the full retrospective method or the modified retrospective method.

From the information disclosed within the general purpose financial report (**GPFR**), it is not clear which method the reporting unit has used to transition to AASB16 and AASB15.

AASB 15 - Separate disclosure of revenue from contracts with customers and disaggregation of revenue from contracts with customers

Australian Accounting Standard AASB 15 Revenue from Contracts with Customers paragraph 113(a) requires an entity to disclose revenue from contracts with customers separately unless already disclosed separately in the statement of comprehensive income.

AASB 15 paragraph 114 also requires an entity to disaggregate revenue from contracts with customers into categories that depict how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors.

It appears that no such disclosures have been made.

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

**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 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 s.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](mailto:kylie.ngo@roc.gov.au).

Yours sincerely,



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



## Australian Education Union

**SA Branch** | 163 Greenhill Road, Parkside, SA 5063

**phone:** [08] 8172 6300

**email:** aeusa@aeusa.asn.au

**fax:** [08] 8172 6390

**website:** www.aeusa.asn.au

Your reference:  
Our reference:

17 June 2020

Mr Mark Bielecki  
Commissioner  
Registered Organisations Commission  
GPO BOX 1994  
MELBOURNE VICTORIA 3001

Dear Mr Bielecki

### **Re: Australian Education Union (SA Branch) Financial Reports**

I Leah York being the Branch Secretary of the Australian Education Union (SA Branch) certify:

- that the documents lodged herewith are copies of the full report for the Australian Education Union (SA Branch) 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 29 May 2020 by publication on the AEU (SA Branch) website on 29 May 2020 and by notice in an e-News publication on 29 May 2020, provided free of charge to members of the Australian Education Union (SA Branch).; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on 15 June 2019 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Yours sincerely

A handwritten signature in black ink, appearing to read "Leah York". The signature is written in a cursive, flowing style.

LEAH YORK  
Branch Secretary

**AUSTRALIAN EDUCATION UNION  
(SOUTH AUSTRALIAN BRANCH)**

**Financial Statements**

**For the year ended**

**31 December 2019**

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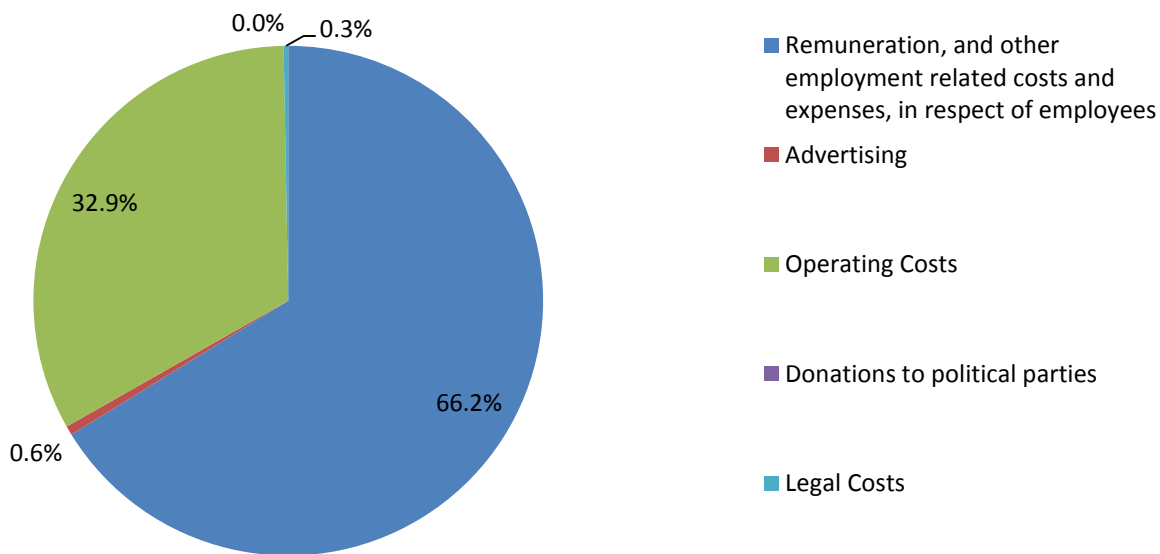
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**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

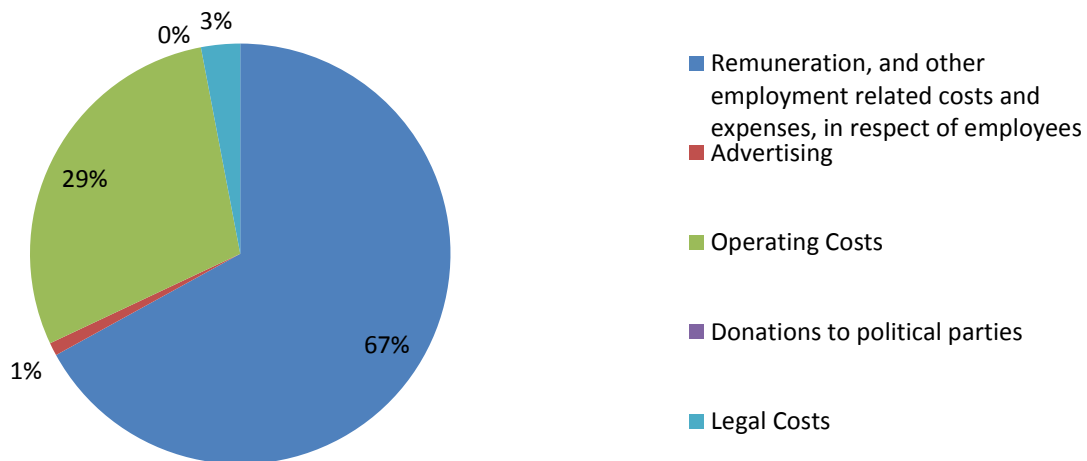
**REPORT REQUIRED UNDER SUBSECTION 255(2A)  
FOR THE YEAR ENDED 31 DECEMBER 2019**

The Committee of Management presents the expenditure report, as required under subsection 255(2A), on the Australian Education Union (South Australian Branch) for the year ended 31 December 2019.

**2019 - Expenditure as required under s. 255(2A) RO**



**2018 - Expenditure as required under s. 255(2A) RO**



Signature of designated officer ..... *Leah York* ..... 25 May 2020

Name and title of designated officer ..... Leah York, Branch Secretary .....

## **AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

### **OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2019**

The Committee of the Management present their report on the Australian Education Union (SA Branch) for the year ended 31 December 2019.

The principal activity of the Union during the year was operating as a trade union within the Public Education industry within South Australia. The primary objective of the AEU (SA Branch) is to represent the professional and industrial interests of its members and to promote and defend South Australia's high quality public education system and the right of every child to a quality public education.

In April 2019 the South Australian Branch of the Union set priorities for the year consistent with the following Strategic Objectives endorsed by AEU Federal Executive and adopted by the AEU nationally:

1. To achieve equitable, sustainable, recurrent Government funding of public education across early childhood, schools and TAFE.
2. To protect and promote quality teaching and learning.
3. To protect and promote quality teaching and learning environments.
4. To ensure that the AEU is a growing, active campaigning, democratic union.
5. To promote, defend and advocate for human rights and social justice.

The AEU SA Branch implemented AEU Federal campaigns throughout the 2019 financial year in relation to schools, preschools and TAFE.

The AEU SA Branch priorities are consistent with the Federal AEU directions.

At a State level, the AEU (SA Branch) re-committed to the following:

Public education is a social necessity because it provides opportunities for, and is welcoming of, all students regardless of background. Valuing the widest possible diversity of backgrounds, it serves as a gateway to a democratic and cohesive Australian society.

As the respected and effective voice of the public education profession our priorities for 2019 are:

1. To build and promote respect for the profession and to protect and improve members' workplace rights and entitlements.
2. To protect, promote and enhance public education as a vibrant and equitable system in accordance with the AEU Charter.
3. To grow an activist union through recruitment and campaigns that engage and develop education workers.
4. To advocate for equity principles in relation to human rights, social justice and environmental sustainability.
5. To advocate for adequate funding, legislative change and policy development to rebuild and reinvest in a quality TAFE system, in accordance with the 'AEU Respect: Public Education Priorities 2018 and Beyond' position statement.

Accordingly, the principal activities of the union throughout the 2019 financial year focussed on the achievement of these priorities and goals. Lobbying of both state and federal governments and politicians, and community engagement and activities sought to achieve these aims.

## **AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

### **OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont.)**

The AEU SA Branch continued its Respect for Public Education Campaign throughout 2019, based on commissioned research which resulted in the publication 'Respect: Public Education Priorities 2018 and beyond'. This publication and associated campaign has informed the work of the organisation.

In the lead up to the 2019 Federal election, the AEU SA Branch lobbied politicians and political candidates with regard to their commitment to deliver the recommendations of the 'Respect' publication in Preschools, Schools and TAFE sectors.

Throughout 2019 AEU SA Branch continued bargaining for a new enterprise agreement with the South Australian Government and the South Australian Department for Education. A professional and industrial framework formed the basis of the AEU's negotiating position in regard to employees in schools and preschools. Following extensive industrial, political and community campaigning, the AEU (SA Branch) received an enterprise bargaining offer in December 2019 and undertook a ballot of its members in regard to acceptance or rejection. The offer was accepted by a majority of members who voted, and this position was communicated to employer negotiators.

A focus on recruitment and retention continued to be a key priority for the Branch to ensure that the union retains strong membership density in all education sectors. Membership was increased through campaigning and activism, and information sharing throughout the enterprise bargaining process. In particular, New Educators and lapsed members continued to be a key priority for recruitment.

Member training and development continued to play a critical role in providing the tools and strategies needed to encourage AEU members to actively engage and recruit their colleagues. AEU training and development activities were linked to building the capacity of AEU activists to effectively manage grievances at the local level. New Workplace Representative training continued to be a priority of the Union in order to develop the skills of new Sub-branch Secretaries and therefore increase the engagement of all members in worksites. Governance training for members new to the Committee of Management was conducted as needed, due to the filling of casual vacancies from time to time.

A campaigning priority continued to be federal funding reforms to ensure schools are funded at the full schools resourcing standard. Particular campaigning emphasis was directed to the Coalition held Federal Electorates and Senators in South Australia in the lead up to the 2019 Federal election.

A focus of the Union's work in the Department for Education was ensuring democratic decision making processes were operating pursuant to the industrial instruments which govern schools and preschools.

Particularly in regional and remote areas, the level of student support services continued to be inadequate due in part to the inability to fill positions with suitably qualified staff. We continue to advocate for improved services, both for addressing the needs of students and to alleviate workload for members.

The provision of quality vocational education in South Australia continued to be a concern of the union. The State Government's funding program provided inadequate resourcing to maintain existing programs and community service obligations. TAFE members lobbied political parties in the lead up to the May 2019 federal election for adequate funding to rebuild and reinvest in TAFE. A reduction in TAFE teaching staff through non-renewal of contracts and separation packages continued, despite increases in permanent employment; the latter due to AEU dispute notification in relation to modes of employment. The TAFE enterprise agreement nominally expired in October 2019 and negotiations for a new enterprise agreement commenced in December 2019.

## **AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

### **OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont.)**

Preschool members continued to campaign to secure ongoing funding for guaranteed 15 hours of preschool education for all four year olds, and continued their workload campaign seeking resourcing for the increased administrative demands placed on staff in early childhood centres.

An organisational restructure of the AEU SA Branch was implemented on an interim basis for 2019. On the recommendation of a report commissioned by the AEU SA Branch into its operations, the restructure supports increased resourcing for campaigning and member activism, and provides a specialist member services centre. Following extensive consultation with stakeholders, a new structure was determined by the Committee of Management in July 2019, and redesigned Administrative Officer positions advertised and filled pursuant to AEU (SA Branch) Federal Rules for commencement in 2020.

The number of members as at 31 December 2019 was 13,531.

The financial result of those activities is a surplus of \$181,731.

There has been no significant change in the Union's financial affairs during the year.

Members may resign from the Union in accordance with Federal Rule 17 which reads:

“17 - Resignation from membership and termination of eligibility

- (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.

To the best of the Committee of Management's belief and knowledge, no officer or member of the Branch is

- (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;

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

The number of persons who as at 31 December 2019 were employees of the Branch measured on a full time equivalent basis was 39.5.



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**OPERATING REPORT FOR THE YEAR ENDED 31 DECEMBER 2019 (Cont.)**

The names of Branch Executive members in office at any time during the year are:

Howard Spreadbury (President)		Lara Golding (Vice President)
Dash Taylor Johnson (Vice President)		Leah York (Branch Secretary)
Trish Gilbert (Treasurer)	Michele Appleton	Jackie Bone-George
Matthew Cherry	David Coulter	Angela Dean
Ashleigh Jamieson (Foreman)	Vicki Lacey	Tim Longstaff
Kate McAuley	Adrian Maywald	Kendall Proud
Morgan Randall	Karen Roberts	Chris Turrell
Malcolm Vaughan	Brad Wallis	Helen Whyte

Note: All Committee Members are serving a 2 year term of office ending 31 December 2019. Office holders are listed at the beginning of the Committee Member list. All other Committee Members are known as Ordinary Branch Executive Officers.

This declaration is made in accordance with a resolution of the Committee of Management

Signature of designated Officer



..... Dated 25 May 2020

Name and title of designated officer

Leah York, Branch Secretary

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**COMMITTEE OF MANAGEMENT STATEMENT**

On the 25<sup>th</sup> May 2020 the Committee of the Management of Australian Education Union (SA Branch), 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 of a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act has been provided to the member or the 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

Signature of designated Officer .....  ..... Dated 25 May 2020

Name and title of designated officer Leah York, Branch Secretary

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<b>Note</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
Revenue from continuing operations	2(a)	8,034,098	7,791,391
Other Income	2(b)	198,144	182,329
<b>Total Income</b>		<u>8,232,242</u>	<u>7,973,720</u>
<b>Expenses</b>			
Governance expenses		957,166	899,590
Administration & Personnel expense		1,537,846	1,078,221
Operations expense		4,162,384	4,111,082
Other Member Operations expense		948,937	1,513,315
Property expense		262,740	426,322
Investment expenses		181,438	
<b>Total Expenses</b>	3(a)	<u>8,050,511</u>	<u>8,028,530</u>
<b>Surplus / (Deficit) for the year</b>		<u>181,731</u>	<u>(54,810)</u>
Other Comprehensive Income		-	-
<b>Total Other Comprehensive Income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive Income/(Deficit) attributable to members of the Union</b>		<u>181,731</u>	<u>(54,810)</u>

The attached notes are to be read in conjunction with these financial statements.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Retained Earnings	Asset Revaluation Reserve	Total
	\$	\$	\$
Balance at 1 January 2018	6,063,535	4,947,035	11,010,570
Profit attributable to members of the Union	(54,810)	-	(54,810)
Balance as 31 December 2018	<u>6,008,725</u>	<u>4,947,035</u>	<u>10,955,760</u>
Profit attributable to members of the Union	181,731	-	181,731
Balance as 31 December 2019	<u>6,190,456</u> =====	<u>4,947,035</u> =====	<u>11,137,491</u> =====

The attached notes are to be read in conjunction with these financial statements.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	Notes	2019 \$	2018 \$
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	4	63,393	142,777
Trade and other Receivables	5	51,790	60,944
Other Current Assets	6	94,682	66,839
Other Financial Assets	7	6,895,224	6,327,368
<b>Total Current Assets</b>		<u>7,105,089</u>	<u>6,597,928</u>
<b>NON-CURRENT ASSETS</b>			
Property, Plant and Equipment	8	6,754,207	6,711,197
Financial Assets	7	2	2
<b>Total Non-Current Assets</b>		<u>6,754,209</u>	<u>6,711,199</u>
<b>Total Assets</b>		<u>13,859,298</u>	<u>13,309,127</u>
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Trade Payables	9 a)	955,237	864,902
Other Payables	9 b)	26,495	-
Employee Provisions	10	1,641,824	1,472,763
<b>Total Current Liabilities</b>		<u>2,623,556</u>	<u>2,337,665</u>
<b>NON CURRENT LIABILITIES</b>			
Other Payables	9 b)	53,811	-
Employee Provisions	10	44,440	15,702
<b>Total Non Current Liabilities</b>		<u>98,251</u>	<u>15,702</u>
<b>TOTAL LIABILITIES</b>		<u>2,721,807</u>	<u>2,353,367</u>
<b>NET ASSETS</b>		<u>11,137,491</u>	<u>10,955,760</u>
<b>EQUITY</b>			
Asset Revaluation Reserve	11	4,947,035	4,947,035
Retained Earnings		6,190,456	6,008,725
<b>Total Equity</b>		<u>11,137,491</u>	<u>10,955,760</u>

The attached notes are to be read in conjunction with these financial statements.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 \$	2018 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Subscriptions		8,663,992	8,462,638
Journal Subscriptions & Advertising		14,120	12,418
Payments to Suppliers and Employees		(8,424,519)	(8,796,667)
Rent & Room Hire		72,843	77,525
Interest Received		165,497	158,080
Professional Development		20,419	21,099
Project Funding		32,993	22,188
Other Income		14,395	746
		<hr/>	<hr/>
<b>Net Cash (Used)/Provided by</b>			
<b>Operating Activities</b>	12(a)	559,740	(41,973)
		<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payments for Property, Plant and Equipment		(66,672)	(32,032)
Proceeds from Sale of Equipment		19,091	-
(Deposits to)/Withdrawals from Investments		(567,058)	(48,197)
Staff Loans Issued		(1,449)	-
Repayments of Staff Loans		650	1,288
		<hr/>	<hr/>
<b>Net Cash Provided by/(Used) in</b>			
<b>Investing Activities</b>		(615,438)	(78,941)
		<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Repayment of Lease liability		(23,686)	-
		<hr/>	<hr/>
<b>Net Cash Used in Financing Activities</b>		(23,686)	-
		<hr/>	<hr/>
Net Increase in Cash Held		(79,384)	(120,914)
Cash and cash equivalents at the beginning of the financial year		142,777	263,691
		<hr/>	<hr/>
<b>Cash and cash equivalents at the end of the financial year</b>	12(b)	63,393	142,777
		=====	=====

The attached notes are to be read in conjunction with these financial statements.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**Note 1      Accounting policies**

The financial statements are general purpose financial statements and have been prepared in accordance with 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 Australian Education Union SA 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.

## **AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

### **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

#### **Note 1 Accounting policies (cont.)**

The financial report covers Australian Education Union (South Australian Branch) which is a branch of a registered union under the Fair Work (Registered Organisations) Act 2009 in Australia.

The financial report was authorised for issue on 25th May 2020 by the Branch Executive.

The following is a summary of the significant accounting policies adopted by the organisation in the preparation of the financial statements.

#### **(a) Property, Plant and Equipment**

Property, plant and equipment transferred from South Australian Institute of Teachers have been recorded at their net written down value as at 31<sup>st</sup> December 1996. Property, plant and equipment acquired since 1<sup>st</sup> January 1997, are brought to account at cost or at independent valuation, less, where applicable, any accumulated depreciation and impairment losses. The carrying amount of all property, plant and equipment is reviewed annually to ensure it is not in excess of the remaining service potential of these assets.

#### **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.

An independent valuation of the land and buildings was undertaken on 15<sup>th</sup> December 2014. The valuation was performed by Mr W Fudali FAPI, Certified Practising Valuer.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate only when it is probable that future economic benefits associated with the item will flow to the Union and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.



## AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)

#### Note 1 Accounting policies (cont.)

##### (a) Property, Plant and Equipment (cont.)

###### Depreciation

The depreciable amount of all fixed assets is depreciated over their useful life using the straight line and diminishing value methods.

The depreciation rates used for each class of asset are as follows:

Buildings	2.5%
Plant and Equipment	15% - 50%
Furniture & fittings	10% - 50%
Motor Vehicles	15% - 30%

The asset's residual values and useful lives are reviewed and adjusted, if appropriate, at each balance date.

An asset's carrying value is written down immediately to its recoverable amount if the assets carrying amount is greater than its estimated recoverable amount.

The gain or loss on disposal of all fixed assets is determined as the difference between the carrying amount of the asset at the time of the disposal and the proceeds of disposal, and is included in income in the year of disposal.

###### 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.

##### (b) Employee Benefits

Provision is made for the organisation's liability for employee benefits arising from services rendered by employees to balance date. The provision recognises the employees' previous service with the South Australian Institute of Teachers. Employee benefits expected to be settled within one year together with entitlements arising from wages and salaries, annual leave and sick leave which will be settled within one year have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements. In determining the liability, consideration is given to employee wage increases and the probability that the employee may not satisfy vesting requirements. Those cash flows are discounted using market yields on National Government bonds with terms to maturity that match the expected timing of cash flows.

Provision for Long Service Leave for employees with more than five years service has been disclosed as a current liability and the balance as non-current.

##### (c) Trade & Other Payables

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Branch as at 31 December 2019. Trade accounts are normally settled within 30 days.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

**Note 1 Accounting policies (cont.)**

**(d) Trade and Sundry Debtors**

Trade and sundry debtors are normally settled within 30 days and are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful debts.

**(e) Goods and Services Tax (GST)**

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown inclusive of GST.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

**(f) Critical Accounting Estimates and Judgements**

The committee members evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the branch.

*Key Estimates – Impairment*

The branch assesses impairment at each reporting date by evaluating conditions specific to the group that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the assets is determined. Value-in-use calculations performed in assessing recoverable amounts incorporate a number of key estimates.

**(g) Impairment of Non-Financial Assets**

At each reporting date, the branch reviews the carrying values of its tangible and intangible assets to determine whether there is any indication that those assets have been impaired. If such an indication exists, the recoverable amount of the assets, being the higher of the asset's fair value less costs to sell and value-in-use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the statement of comprehensive income.

Where it is not possible to estimate the recoverable amount of an individual asset, the branch estimates the recoverable amount of the cash-generating unit to which the asset belongs.

**(h) Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at-call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities on the balance sheet.

**(i) Comparative Figures**

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

## AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)

#### Note 1 Accounting policies (cont.)

##### (j) Revenue and other income

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

Subscription revenue is recognised as revenue in the period to which the subscription relates. To the extent that subscriptions are received for the following year, these are treated as subscriptions in advance at balance date.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

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

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.

##### (k) Asset Revaluation Reserve

The Asset Revaluation Reserve records revaluation of non-current assets.

##### (l) Provisions

Provisions are recognised when the Union has a legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions recognised represent the best estimate of amounts required to settle the obligation at the end of the reporting period.

##### (m) Financial Instruments

###### 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 Union's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Union 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 Union'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.

###### Subsequent measurement

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

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

## AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)

#### Note 1 Accounting policies (cont.)

##### (m) Financial Instruments (cont.)

###### **Financial assets at amortised cost**

The Union measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

###### **Investments in equity instruments designated at fair value through other comprehensive income**

Upon initial recognition, the Union can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the Union benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

###### **Financial assets at fair value through profit or loss (including designated)**

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

## AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)

#### Note 1 Accounting policies (cont.)

##### (m) Financial Instruments (cont.)

###### **Derecognition**

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Union 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 Union has transferred substantially all the risks and rewards of the asset, or
  - b) the Union has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Union 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 Union continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

###### **Impairment**

For trade receivables that do not have a significant financing component, the Union 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 Union does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

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).

###### **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 Union's financial liabilities include trade and other payables.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

**Note 1 Accounting policies (cont.)**

**(m) Financial Instruments (cont.)**

**Subsequent measurement**

**Financial liabilities at amortised cost**

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.

**(n) Taxation**

Australian Education Union (SA Branch) is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

**(o) Fair value measurement**

The Australian Education Union SA Branch measures non-financial assets such as land and buildings at fair value at each balance sheet date.

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 Union. 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.

## AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)

### NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)

#### Note 1 Accounting policies (cont.)

##### (o) Fair value measurement (cont.)

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 Australian Education Union (SA 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

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 Australian Education Union (SA 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.

##### (p) New Accounting Standards

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

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time this financial year:

AASB 15: Revenue from Contracts with Customers (applicable to annual reporting periods beginning on or after 1 January 2019). 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 the goods or services. To achieve this objective, AASB 15 provides the following five-step process:

- identify the contract(s) with a customer;
- identify the performance obligations in the contract(s);
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract(s);

and

- recognise revenue when (or as) the performance obligations are satisfied.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

**Note 1**

**Accounting policies (cont.)**

**(q) (p)**

**New Accounting Standards (cont.)**

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019). The main changes introduced by the new Standard include:
  - recognition of a right-to-use asset and liability for all leases (excluding short-term leases with less than 12 months of tenure and leases relating to low-value assets);
  - depreciation of right-to-use assets in line with AASB 116: Property, Plant and Equipment in profit or loss and unwinding of the liability in principal and interest components;
  - variable lease payments that depend on an index or a rate are included in the initial measurement of the lease liability using the index or rate at the commencement date;
  - by applying a practical expedient, a lessee is permitted to elect not to separate non-lease components and instead account for all components as a lease; and
  - additional disclosure requirements.

**(r) New Accounting Standards for Application in Future Periods**

The AASB has issued a number of new and amended Accounting Standards that have mandatory application dates for future reporting periods, some of which are relevant to the Union. The Union has decided not to early adopt any of the new and amended pronouncements. The Union has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

<b>Note 2</b>	<b>Revenue</b>	<b>2019</b>	<b>2018</b>
		\$	\$
<b>a)</b>	<b>Revenue from continuing operations</b>		
	Membership Subscriptions	7,934,079	7,687,958
	Rent	50,124	49,357
	Room Hire	19,592	20,684
	Journal Advertising	11,740	14,211
	Professional Development	18,563	19,181
		<u>8,034,098</u>	<u>7,791,391</u>
		=====	=====
<b>b)</b>	<b>Other Income</b>		
	Interest	119,290	156,268
	Investment returns	27,162	-
	Investment gains/(losses)	(1,731)	-
	Profit from sale of assets		
	Motor Vehicles	9,215	-
	Plant & Equipment	-	-
	Other Income	1,805	822
	Project funding	29,994	25,239
	Sitting fee reimbursement	12,409	-
		<u>198,144</u>	<u>182,329</u>
		=====	=====
<b>Note 3</b>	<b>Expenses</b>	<b>2019</b>	<b>2018</b>
		\$	\$
<b>a)</b>	<b>Total Expenses</b>		
	<b>GOVERNANCE EXPENSES</b>		
	Branch, Area & Divisional Council Meetings	88,078	72,633
	Sub-branch Administration Allowances	2,816	2,246
	Committee Expenses & Communication		
	to Members	7,146	7,135
	Executive Expenses	51,726	37,764
	Donations	473	595
	Awards	-	355
	Entertainment & Travel	35,495	34,821
	Travel sustentation allowances	-	-
	Executive Allowances	3,965	3,585
	Salaries and related costs of Elected Officers	767,467	740,456
		<u>957,166</u>	<u>899,590</u>
		=====	=====

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

Note 3	Expenses (cont.)	Note	2019 \$	2018 \$
<b>a) Total Expenses (cont.)</b>				
<b>ADMINISTRATION &amp; PERSONNEL</b>				
	Accountancy & Audit	13	16,200	16,200
	Bank Fees		61,127	59,334
	Doubtful Debts		-	-
	Amortisation of Leased Office Equipment		26,664	-
	Entertainment & Travel		970	641
	Fringe Benefits Tax		4,834	3,738
	Insurance		5,007	4,989
	Internet Access & Website		21,073	19,993
	Lease interest expense		5,908	-
	Legal Fees		2,791	5,455
	Machine Maintenance		-	28,881
	Postage		6,131	5,745
	Printing & Stationery		7,099	8,776
	Provision for Annual Leave		72,013	(134,845)
	Provision for Long Service Leave		125,786	(32,130)
	Provision for Sick Leave		-	20,000
	Recruitment & Training		54,395	27,753
	Resource Purchases		5,050	4,969
	Salaries and related costs		827,273	793,709
	IT System expenses		239,393	169,371
	Strategic Review		3,273	21,517
	Sundry Expenses		11,633	9,570
	Telecommunication		41,226	44,555
	<b>Total Administration &amp; Personnel</b>		<hr/> 1,537,846	<hr/> 1,078,221
<b>OPERATIONAL EXPENSES</b>				
<b>Membership Records:</b>				
	Stationery/Resources		483	1,303
	Postage		7,867	10,205
	Member Recognition		9,270	-
	Salaries and related costs		260,455	242,853
			<hr/> 278,075	<hr/> 254,361

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

Note 3	Expenses (cont.)	Note	2019 \$	2018 \$
<b>a) Total Expenses (cont.)</b>				
OPERATIONAL EXPENSES (cont.)				
Campaign & Publicity Activities:				
	Advertising & Other Campaign Expenses		92,532	130,477
	Media Consultancy & Monitoring		20,385	10,388
	Travel and Accommodation		44,808	-
	Travel Sustentation allowance		460	-
	Motor Vehicle expenses		50,481	-
	Depreciation - Motor Vehicles		26,611	-
	Women's Officer Activities		29,513	-
	Industrial Costs		24,291	-
	Salaries and related costs		2,096,180	-
			<hr/>	<hr/>
			2,385,261	140,865
Member Services:				
	Travel and Sundry expenses		4,343	-
	Legal Expenses		20,687	-
	Legal Defence		63,057	-
	Salaries and related costs		1,367,294	-
			<hr/>	<hr/>
			1,455,381	-
Organisers:				
	Regional Office Expenses		7,546	7,450
	Motor Vehicle Expenses		-	70,633
	Depreciation - Motor Vehicles		-	36,880
	Salaries and Related Costs		-	2,150,335
	Travel & Sundry Expenses		-	40,830
			<hr/>	<hr/>
			7,546	2,306,128
Industrial:				
	Salaries and Related Costs		-	766,896
	Travel & Sundry Expenses		-	2,472
			<hr/>	<hr/>
			-	769,368
Communications:				
	AEU Journal			
	- Production & Printing		16,105	53,628
	- Delivery		20,016	33,752
	Travel & Accommodation		-	722
	Salaries and Related Costs		-	373,338
			<hr/>	<hr/>
			36,121	461,440

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

Note 3	Expenses (cont.)	2019	2018
		\$	\$
<b>a)</b>	<b>Total Expenses (cont.)</b>		
	OPERATIONAL EXPENSES (cont.)		
	Women's Officer:		
	Operating Expenses	-	27,536
	Salaries and Related Costs	-	149,807
	Travel & Sundry Expenses	-	1,577
		<hr/>	<hr/>
		-	178,920
	 Total Operational Expenses	 <hr/>	 <hr/>
		4,162,384	4,111,082
		<hr/>	<hr/>
	<b>OTHER MEMBER OPERATIONS</b>		
	Member Legal Defence	-	314,277
	Union Training & Development	137,504	160,101
	Member Professional Development	25,371	21,084
	International Support	53,850	53,610
	A.E.U. Capitation Fees & Levies	646,170	622,447
	Other Affiliations	70,762	70,449
	National Committees & Conferences		
	Travel & other expenses	8,718	4,745
	Sustentation allowances	6,180	4,140
	Salaries and Related Costs	-	259,933
	Travel and accommodation	382	2,529
		<hr/>	<hr/>
	Total Other Member Operations	948,937	1,513,315
		<hr/>	<hr/>
	<b>PROPERTY</b>		
	Repairs & Maintenance	-	50,088
	Rates & Taxes	-	72,472
	Electricity	54,485	47,428
	Cleaning	62,402	62,402
	Insurance	17,382	15,951
	Sundry Property Expenses	21,633	13,675
	Depreciation		
	- Furniture & Fittings	3,277	4,965
	- Plant & Equipment	8,600	11,009
	- Buildings	-	52,625
	Salaries and Related Costs	94,961	95,707
		<hr/>	<hr/>
	Total Property	262,740	426,322
		<hr/>	<hr/>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

Note 3	Expenses (cont.)	2019 \$	2018 \$
<b>a)</b>	<b>Total Expenses (cont.)</b>		
	<b>Investment Expenses</b>		
	Investment management fees	4,636	-
	Rental Property expenses		
	Rates and taxes	66,178	-
	Repairs & Maintenance	57,999	-
	Depreciation – Buildings	52,625	-
	<b>Total Investment Expenses</b>	<u>181,438</u>	<u>-</u>
	<b>Total Expenses</b>	<u>8,050,511</u>	<u>8,028,530</u>
		=====	=====
<b>b)</b>	<b>Significant Revenue &amp; Expenses</b>		
	The following significant revenue and expense items are relevant in explaining the financial performance:		
	Union Development	137,504	160,101
	Legal Defence	63,057	314,277
	Computer Expenses	239,393	169,371
	A.E.U. Affiliation Fees and Levies	646,170	622,447
	Advertising and Other Campaign Expenses	92,532	130,477
		=====	=====
<b>c)</b>	<b>Employee Expenses</b>		
	<b>Holders of office:</b>		
	Wages and salaries	637,320	602,962
	Superannuation	83,180	81,928
	Leave and other entitlements	54,140	1,379
	Separation and redundancies	-	-
	Other employee expenses	-	-
	Subtotal employee expenses for holders of office	<u>774,640</u>	<u>686,269</u>
	<b>Employees other than office holders:</b>		
	Wages and salaries	3,742,413	3,952,261
	Superannuation	463,931	478,685
	Leave and other entitlements	358,537	24,018
	Separation and redundancies	-	22,417
	Other employee expenses	-	-
	Subtotal employee expenses for non holders of office	<u>4,564,881</u>	<u>4,477,381</u>
	<b>Other:</b>		
	Payroll Tax	224,883	221,256
	RTWSA Premium	50,991	44,738
	Fringe Benefits Tax	9,668	6,699
	Staff Recruitment and training	54,395	27,753
	<b>Total employee expenses</b>	<u>5,679,458</u>	<u>5,464,096</u>
		=====	=====

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

<b>Note 3</b>	<b>Expenses (cont.)</b>	<b>2019</b>	<b>2018</b>
		<b>\$</b>	<b>\$</b>
<b>d)</b>	<b>Capitation fees and other expense to another reporting unit</b>		
	<b>Capitation fees</b>		
	Australian Education Union	430,251	412,487
	<b>Other expense to another reporting unit</b>		
	Australian Education Union	14,666	8,076
<b>e)</b>	<b>Affiliations and Compulsory Levies</b>		
	<b>Affiliations</b>		
	ACTU *	81,481	78,898
	Education International *	33,279	32,081
	SA Union	70,412	69,245
	Total Affiliations	<u>185,172</u>	<u>180,224</u>
		=====	=====
	*These are paid to the Australian Education Union and form part of the Federal Affiliation.		
	<b>Levies</b>		
	<b>Australian Education Union</b>		
	Publication Levy	48,334	46,817
	For the publication of the Australian Educator and TAFE Teacher.		
	Public Education Levy	52,824	52,164
	To contribute towards the National Public Education Campaign		
		<u>101,158</u>	<u>98,981</u>
		=====	=====
<b>f)</b>	<b>Donations</b>		
	Donations		
	Total paid that were \$1,000 or less	473	595
	Total paid that exceeded \$1,000	-	-
	Total donations	<u>473</u>	<u>595</u>
		====	====
<b>g)</b>	<b>Legal Costs</b>		
	Litigation	8,117	48,052
	Other Legal Costs	39,652	201,950
		<u>47,769</u>	<u>250,002</u>
		=====	=====

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 4</b>		
<b>Cash and Cash Equivalents</b>		
Petty Cash	400	400
Cash at Bank	62,993	142,377
	<u>63,393</u>	<u>142,777</u>
	=====	=====
<b>Note 5</b>		
<b>Receivables</b>		
Trade Debtors	4,144	11,769
Provision for Doubtful Debts	-	-
	<u>4,144</u>	<u>11,769</u>
Sundry Debtors	47,646	49,175
	<u>51,790</u>	<u>60,944</u>
	=====	=====
<p>Note: Trade Debtors include \$nil (2018 \$5,068) and Sundry Debtors includes \$6,000 (2018 \$nil) in relation to amounts receivable from the Australian Education Union.</p>		
<b>Note 6</b>		
<b>Other Current Assets</b>		
Prepayments	94,682	66,839
	=====	=====
<b>Note 7</b>		
<b>Other Financial Assets</b>		
<b>Investments - Current</b>		
Credit Union SA Deposits	1,956,447	3,401,249
Bank SA:		
At call Savings	1,181,529	783,738
Term Deposit/Bank Bills	-	642,381
Members Equity Deposit	1,500,000	1,500,000
Managed Cash Trust	515,114	-
Managed Investments	1,741,335	-
Staff Computer Loans	799	-
	<u>6,895,224</u>	<u>6,327,368</u>
	=====	=====
<b>Investments - Non-current</b>		
Credit Union SA Share		
- at cost	2	2
	=====	=====

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 8</b>		
<b>Property, Plant &amp; Equipment</b>		
Land and Buildings		
An independent valuation of the land and buildings was undertaken on 15 <sup>th</sup> December 2014. The valuation was performed by W Fudali FAPI, Certified Practising Valuer.		
Greenhill Road – at independent valuation	6,175,000	6,175,000
Accumulated Depreciation	(240,625)	(192,500)
	<hr/>	<hr/>
	5,935,375	5,982,500
Porter Street – at independent valuation	600,000	600,000
Accumulated Depreciation	(22,500)	(18,000)
	<hr/>	<hr/>
	577,500	582,000
Works of Art – at cost	36,300	36,300
	<hr/>	<hr/>
Plant & Equipment - at cost	402,028	393,832
Accumulated Depreciation	(380,217)	(373,808)
	<hr/>	<hr/>
	21,811	20,024
Furniture and Fittings - at cost	220,561	220,052
Accumulated Depreciation	(211,728)	(208,451)
	<hr/>	<hr/>
	8,833	11,601
Motor Vehicles - at cost	253,559	272,283
Accumulated Depreciation	(155,498)	(193,511)
	<hr/>	<hr/>
	98,061	78,772
Office Equipment – leased	103,991	-
Accumulated Depreciation	(26,664)	-
	<hr/>	<hr/>
	77,327	-
<b>Total property, plant &amp; equipment</b>	<hr/> <hr/>	<hr/> <hr/>
	6,754,207	6,711,197



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

	<b>2019</b>							<b>2018</b>
	\$							\$
<b>Note 8</b>	<b>Property, Plant &amp; Equipment (cont.)</b>							
				<b><u>2019</u></b>				
	G/Hill Rd	Porter St	Work of Art	Plant & Equipmt	Furniture & Fittings	Motor Vehicles	Office Equipmt	Total
Opening WDV	5,982,500	582,000	36,300	20,024	11,601	78,772	-	6,711,197
Adoption of AASB16							103,991	103,991
Additions – cost	-	-	-	10,387	509	55,776	-	66,672
Disposals -	-	-	-	-	-	(9,876)	-	(9,876)
Depreciation	(48,125)	(4,500)	-	(8,600)	(3,277)	(26,611)	(26,664)	(117,777)
Closing WDV	<u>5,934,375</u>	<u>577,500</u>	<u>36,300</u>	<u>21,811</u>	<u>8,833</u>	<u>98,061</u>	<u>77,327</u>	<u>6,754,207</u>
				<b><u>2018</u></b>				
		G/Hill Rd	Porter St	Work of Art	Plant & Equipment	Furniture & Fittings	Motor Vehicles	Total
Opening WDV		6,030,625	586,500	36,300	20,114	15,645	95,460	6,784,644
Additions – cost		-	-	-	10,919	921	20,192	32,032
Disposals		-	-	-	-	-	-	-
Depreciation		(48,125)	(4,500)	-	(11,009)	(4,965)	(36,880)	(105,479)
Closing WDV		<u>5,982,500</u>	<u>582,000</u>	<u>36,300</u>	<u>20,024</u>	<u>11,601</u>	<u>78,772</u>	<u>6,711,197</u>

**Note 9 Trade and Other Payables**

**a) Trade Payables**

Accrued Expenses	590,040	408,179
Legal Costs		
Litigation	-	-
Other Legal Matters	1,148	35,221
Amount Payable to other reporting units		
Australian Education Union	318	515
Subscriptions in advance	363,731	420,987
	<u>955,237</u>	<u>864,902</u>
	=====	=====

Settlement is usually made within 30 days.

Note: Accrued Expenses include \$21,121 (2018 \$18,193) in relation to salary and oncost obligations for Elected Officers.

**b) Other Payables**

Lease of Office Equipment	80,306	-
	=====	=====
Total Other Payables are expected to be settled in:		
No more than 12 months	26,495	-
More than 12 months	53,811	-
	<u>80,306</u>	<u>-</u>
	=====	=====

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 10</b>		
<b>Employee Provisions</b>		
<b>Office Holders</b>		
Annual Leave	97,123	64,710
Long Service Leave	39,865	24,308
Separations and Redundancies	-	-
Other – Sick Leave	6,624	9,555
<b>Subtotal Employee Provisions – Office Holders</b>	<u>143,612</u>	<u>98,573</u>
<b>Employees Other than Office Holders</b>		
Annual Leave	447,150	407,550
Long Service Leave	1,032,126	921,897
Separations and Redundancies	-	-
Other – Sick Leave	63,376	60,445
<b>Subtotal Employee Provisions – Employees     other than Office Holders</b>	<u>1,542,652</u>	<u>1,389,892</u>
<b>Total Employee Provisions</b>	<u><u>1,686,264</u></u>	<u><u>1,488,465</u></u>
Current	1,641,824	1,472,763
Non Current	44,440	15,702
<b>Total Employee Provisions</b>	<u><u>1,686,264</u></u>	<u><u>1,488,465</u></u>
<b>Note 11</b>		
<b>a) Equity</b>		
<b>Asset Revaluation Reserve</b>		
Balance at start of the year	4,947,035	4,947,035
Balance as at end of year	<u><u>4,947,035</u></u>	<u><u>4,947,035</u></u>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 12</b>		
<b>Cash Flows</b>		
<b>a) Reconciliation of Net Profit to Net Cash Provided by Operating Activities</b>		
Net (Loss)/ Profit	181,731	(54,810)
Depreciation:		
- Motor Vehicles	26,611	36,880
- Furniture & Fittings	3,277	4,965
- Plant & Equipment	8,600	11,009
- Buildings	52,625	52,625
- Leased Office Equipment	26,664	-
(Profit)/Loss on Sale of Equipment	(9,215)	-
Change in Assets and Liabilities:		
Decrease in Receivables	9,154	17,789
(Increase)/Decrease in Prepayments	(27,843)	8,351
Increase in Trade Payables	90,337	28,193
Increase/(Decrease) in Provisions	197,799	(146,975)
	<hr/>	<hr/>
<b>Net Cash (Used by)/Provided by Operating Activities</b>	<b>559,740</b>	<b>(41,973)</b>
	<hr/> <hr/>	<hr/> <hr/>
<b>b) Reconciliation of Cash</b>		
For the purpose of the statement of cash flows, cash includes cash on hand and in banks. Cash at the end of the reporting period as shown in the statement of cash flows is reconciled to the related items in the balance sheet as follows:		
Cash on hand	400	400
Cash at bank	62,993	142,377
	<hr/>	<hr/>
	<b>63,393</b>	<b>142,777</b>
	<hr/> <hr/>	<hr/> <hr/>

**c) Credit Stand-by Arrangements and Loan Facility**

The Union has no credit stand-by arrangements or loan facilities in place.

**d) Non-Cash Financing and Investments Activities**

There were no non-cash financing and investing activities during the year.

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

	<b>2019</b>	<b>2018</b>
	\$	\$
<b>Note 12</b>		
<b>Cash Flows (cont.)</b>		
<b>e) Transactions with other AEU branches</b>		
Receipts received from:		
AEU Federal Office	10,239	23,089
AEU (NT Branch)	1,283	-
	<hr/>	<hr/>
Total receipts received	11,522	23,089
	=====	=====
Payments paid to:		
AEU Federal Office	723,591	689,559
	<hr/>	<hr/>
Total Payments paid	723,591	689,559
	=====	=====
<b>Note 13</b>		
<b>Auditor's Remuneration</b>		
Amounts received or due and receivable by auditors for:		
- auditing or reviewing the financial report	16,200	16,200
- other services	-	-
	<hr/>	<hr/>
	16,200	16,200
	=====	=====

**Note 14**      **Related Party Transactions**

**a) Executive Members**

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

The names of Executive members who have held office during the year are:

Howard Spreadbury (President)	Lara Golding (Vice President)
Dash Taylor Johnson (Vice President)	Leah York (Branch Secretary)
Trish Gilbert (Treasurer)	
Michele Appleton	Jackie Bone-George
Matthew Cherry	David Coulter
Angela Dean	Ashleigh Jamieson (Foreman)
Vicki Lacey	Tim Longstaff
Kate McAuley	Adrian Maywald
Kendall Proud	Morgan Randall
Karen Roberts	Chris Turrell
Malcolm Vaughan	Brad Wallis
Helen Whyte	

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

**Note 14      Related Party Transactions (cont.)**

The aggregate amount of remuneration directly or indirectly received or receivable for the year ended 31 December 2019, whether as an Executive member or otherwise, from the reporting entity in connection with the management of the reporting entity, was \$637,317 (2018 \$612,547). The aggregate amounts paid during the year ended 31st December 2019 to a superannuation plan or other entity by the reporting entity in connection with the retirement of Executive members of the reporting entity was \$83,180 (2018 \$81,928).

**b) Key Management Personnel Remuneration for the Reporting Period**

	<b>2019</b>	<b>2018</b>
	\$	\$
Short Term Employee Benefits		
Salary (including Annual Leave Taken)	891,616	891,680
Annual Leave Accrued	124,776	89,649
Sick Leave Accrued	11,156	12,682
Performance Bonus	-	-
	<hr/>	<hr/>
Total Short Term Employee Benefits	1,027,548	994,011
	<hr/>	<hr/>
Post Employment Benefits		
Superannuation	113,126	111,948
	<hr/>	<hr/>
Total Post Employment Benefits	113,126	111,948
	<hr/>	<hr/>
Other Long Term Benefits		
Long Service Leave	63,607	47,383
	<hr/>	<hr/>
Total Long Term Benefits	63,607	47,383
	<hr/>	<hr/>
Termination Benefits	-	-
Share Based Payments	-	-
	<hr/>	<hr/>
Total	1,204,281	1,153,342
	=====	=====

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

**Note 14 Related Party Transactions (cont.)**

**c) Transactions with Key Management Personnel and Their Close Family Members**

**Revenue received from Key Management Personnel**

Sitting fee received from Leah York	12,409	-
-------------------------------------	--------	---

Leah York receives a Board Sitting fees from Funds SA and subject to AEU (SA Branch) policy that the remuneration received is paid to the AEU (SA Branch)

There were no other transactions with key management personnel or the committee of management and the AEU (SA Branch) office other than those relating to their membership of the AEU (SA Branch) and reimbursement in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which are reasonable to expect would have been adopted by parties at arm's length.

**Note 15 Segment Information**

The Union operates as a trade union in the Education industry within South Australia. The principal place of business is 163 Greenhill Road, Parkside, South Australia. The number of full time equivalent employees as at reporting date is 39.5.

**Note 16 Financial Instruments Disclosure**

(a) Interest rate risk

The Union's financial instruments consist mainly of deposits with banks, short term investments, amounts receivable and payable.

The totals for each category of financial instruments, measured in accordance with AASB 139 as detailed in the accounting policies to these financial statements, are also set out below.

	<u>2019</u>	1 year or less	Fixed interest Maturing in greater 2 years	Non interest bearing	Total
<b>Financial assets</b>					
Cash on hand and in banks	62,993	-	-	400	63,393
Receivables	-	-	-	146,472	146,472
Investments					
– other than public investments	1,696,643	3,456,447	-	-	5,153,090
Managed Investments	1,741,335	-	-	-	1,741,335
Staff Computer Loans	-	-	-	799	799
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	3,500,971	3,456,447	-	147,671	7,105,089
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Weighted average interest rate	0.8%	2.01%			
<b>Financial Liabilities</b>					
Accrued Expenses	-	-	-	591,506	591,506
Subscriptions in advance	-	-	-	363,731	363,731
Lease of Office Equipment	-	26,495	53,811	-	80,306
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	31,011	53,811	864,902	1,035,543
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

**Note 16 Financial Instruments Disclosure (cont.)**

<u>2018</u>	Floating Interest rate	Fixed interest Maturing in 1 year or less	Non interest bearing	Total
<b>Financial assets</b>				
Cash on hand and in banks	142,377	-	400	142,777
Investments – other than public investments	783,738	5,543,630	-	6,327,368
Trade and other debtors	-	-	127,783	127,783
	<hr/>	<hr/>	<hr/>	<hr/>
	926,115	5,543,630	128,183	6,597,928
	<hr/>	<hr/>	<hr/>	<hr/>
Weighted average interest rate	0.8%	2.59%		
<b>Financial Liabilities</b>				
Accrued Expenses	-	-	443,915	443,915
Subscriptions in advance	-	-	420,987	420,987
	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	864,902	864,902
	<hr/>	<hr/>	<hr/>	<hr/>

(b) Credit Risk Exposure

Credit risk on financial assets represents the loss that would be recognised if counterparties failed to perform as contracted. The credit risk on financial assets, excluding investments, of the Australian Education Union (SA Branch) which have been recognised in the balance sheet is the carrying amount, net of any provision for doubtful debts.

(c) Net Fair Values of Financial Assets and Financial Liabilities

Net fair value of financial assets and financial liabilities are determined by valuing them at the present value of contractual future cash flows on amounts due from customers (reduced for expected credit losses) or due to suppliers.

The carrying amounts of cash on hand and in banks, investments, trade and other debtors, prepayments, accrued expenses and subscriptions in advance are not materially different from their net fair values.

(d) Financial Risk Management Policies

The Union's Executive is responsible for, among other issues, monitoring and managing financial risk exposures of the Union. The Executive monitors the Union's transactions and reviews the effectiveness of controls relating to credit risk, financial risk and interest rate risk. Discussions on monitoring and managing financial risk exposures are held quarterly and minuted by the committee of management.

The Executive's overall risk management strategy seeks to ensure that the Union meets its financial targets, while minimising potential adverse effects of cash flow shortfalls

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

**Note 16 Financial Instruments Disclosure (cont.)**

(e) Sensitivity Analysis

The following table illustrates sensitivities to the Union's exposures to changes in interest rates and equity prices. The table indicates the impact on how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that management considers to be reasonably possible. These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
<b>Year ended 31 December 2019</b>		
+ 2% in interest rates	184,336	184,336
- 2% in interest rates	(92,877)	(92,877)
<b>Year ended 31 December 2018</b>		
+ 2% in interest rates	159,657	159,657
- 2% in interest rates	(118,117)	(118,117)

**Note 17 Fair Value Measurement**

As stated at Note 16(c), management of the reporting unit assess that cash on hand and at banks (including term deposits noted at Note7), 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.

Management measures and recognizes the following assets at fair value on a recurring basis after initial recognition:

- Freehold land and buildings.

Further discussion regarding the reporting units accounting policy on fair value measurement is detailed at note 1 (o).

The following table contains the carrying amounts and related fair values for the reporting units financial assets and liabilities

Financial Assets	Carrying Amount 2019 \$	Fair value 2019 \$	Carrying Amount 2018 \$	Fair value 2018 \$
Land and Buildings				
- Greenhill Road	5,935,375	5,935,375	5,982,500	5,982,500
- Porter Street	577,500	577,500	582,000	582,000



**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

**Note 17 Fair Value Measurement (cont.)**

*Fair value hierarchy*

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

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

31 December 2019

Assets measured at fair value	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Land and Buildings	15/12/2014			
- Greenhill Road		-	5,935,375	-
- Porter Street		-	577,500	-

31 December 2018

Assets measured at fair value	Date of valuation	Level 1 \$	Level 2 \$	Level 3 \$
Land and Buildings	15/12/2014			
- Greenhill Road		-	5,982,500	-
- Porter Street		-	582,000	-

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019 (CONT.)**

**Note 18 Commitments**

	<b>2019</b>	<b>2018</b>
	<b>\$</b>	<b>\$</b>
Commitments for minimum lease payments in relation to non-cancellable finance leases are payable as follows:		
- Within one year	31,011	28,128
- After one year but not more than five years	58,204	77,352
- More than 5 years	-	-
	<u>89,215</u>	<u>105,480</u>
	=====	=====

Leases are for photocopiers and printers and the average remaining term is 46 months. There is no contingent rent payable in respect of the above leases. Under the terms of the lease arrangements an option does not exist for renewal or purchase options at the end of the lease term. The lease arrangement contains no escalation clauses.

**Note 19 Going Concern**

The Australian Education Union (South Australian Branch)'s ability to continue as a going concern is not reliant on financial support from another reporting unit.

**Note 20 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 read as follows:

Information to be provided to members or Commissioner:


- (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).

**AUSTRALIAN EDUCATION UNION (SOUTH AUSTRALIAN BRANCH)  
OFFICER DECLARATION STATEMENT**

I, Leah York, being the Branch Secretary of the Australian Education Union (South Australian Branch), declare that the following activities did not occur during the reporting period ending 31 December 2019.

The reporting unit did not:

- 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 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 penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- 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
- 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 ..... 

Dated ..... 25 May 2020 .....

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

**Report on the Audit of the Financial Report**

***Opinion***

I have audited the accompanying financial report of Australian Education Union (SA Branch) ('the Reporting Unit'), 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 then ended, Notes to the Financial Statements, including a summary of significant accounting policies; the Committee of Management's Statement, the subsection 255(2A) report and the Officer Declaration Statement.

In my opinion the financial report present fairly, in all material respects, the financial position of Australian Education Union (SA Branch) as at 31 December 2019 and of its financial performance and its cash flows for the year then ended in accordance with

- a) Australian Accounting Standards;
- b) 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

***Basis for Opinion***

I conducted my audit in accordance with 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 Reporting Unit 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 my opinion.

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

The Committee of Management are 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 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.

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

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

The Committee of Management of the Reporting Unit 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 Reporting unit'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 Reporting Unit or to cease operations, or they have no realistic alternative but to do so.

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

My 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 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 this 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 Reporting Unit'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 reporting Unit'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 report 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 Reporting Unit 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.

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

***Auditor's Responsibilities for the Audit of the Financial Report (CONT)***

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit 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.



Nexia Edwards Marshall  
Chartered Accountants



Jamie Dreckow  
Partner  
Chartered Accountant  
Registration number (as registered by the RO Commissioner under the RO Act): AA2017/16

Adelaide  
South Australia

25 May 2020