



9 June 2021

Mr Chris Watt  
Federal Secretary  
Independent Education Union of Australia

By e-mail: [ieu@ieu.org.au](mailto:ieu@ieu.org.au)

Dear Mr Watt

**Independent Education Union of Australia**  
**Financial Report for the year ended 31 December 2020 - FR2020/314**

I acknowledge receipt of the financial report for the year ended 31 December 2020 for the Independent Education Union of Australia (**the reporting unit**). The financial report was lodged with the Registered Organisations Commission (**ROC**) on 1 June 2021.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

Whilst the 2020 report has been filed the following should be addressed in the preparation of the next financial report.

**1. General Purpose Financial Report (GPFR)**

Cash flows to/from another reporting unit

The officer declaration statement discloses that the reporting unit did not provide/receive cash flows from another reporting unit and/or controlled entity. However, note 12A discloses significant revenue and expense transactions related to other reporting units and notes 5B and 7A disclose nil balances for receivables and payables with other reporting units. Together these indicate the existence of cash transactions with other reporting units.

In future, please ensure that cash flows from/to another reporting unit are correctly disclosed in the GPFR in accordance with reporting guideline 18.

### Subsection 255(2A) report

Subsection 255(2A) of the RO Act and reporting guideline 22 require a report that shows the total expenditure incurred by reporting units during the financial year in relation to each of the following:

- (a) remuneration, and other employment-related costs and expenses, in respect of employees;
- (b) advertising;
- (c) operating costs;
- (d) donations to political parties;
- (e) legal costs.

I note that the subsection 255(2A) report in the GPFR does not include reference to legal costs. In future, please ensure that the subsection 255(2A) report is prepared in accordance with the RO Act and reporting guidelines.

### Discrepancy between Loans, Grants & Donations (LGD) statement and GPFR

A LGD statement for the reporting unit was lodged with the ROC under subsection 237(1) of the RO Act on 17 February 2021. A figure for donations that exceeded \$1,000 (\$15,000) was also disclosed in the financial report, however the figure for donations is different to the total donations (\$30,000) disclosed in the LGD statement. The reporting unit has subsequently advised that the difference of \$15,000 was disclosed in note 4(c) to the GPFR as an affiliation expense instead of a donation.

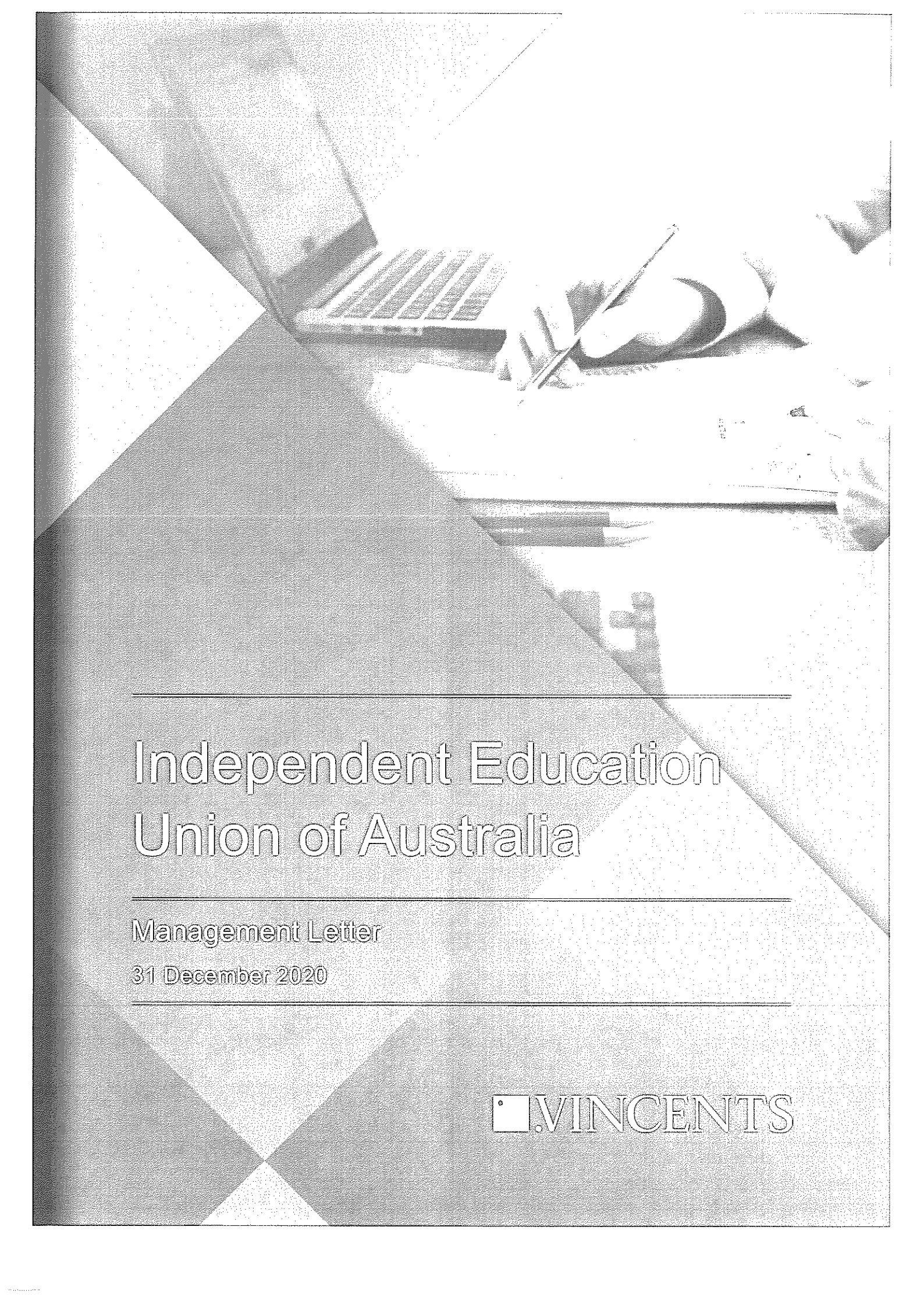
In future, please ensure that donations are disclosed consistently across the LGD statement and the GPFR.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 9603 0707 or by email at [ken.morgan@roc.gov.au](mailto:ken.morgan@roc.gov.au)

Yours faithfully



**KEN MORGAN**  
**Financial Reporting Specialist**  
**Registered Organisations Commission**



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# Independent Education Union of Australia

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Management Letter

31 December 2020

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 .VINCENTS

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# Independent Education Union of Australia

ABN: 44 401 438 657

## Financial Statements

For the Year Ended 31 December 2020

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**Independent Education Union of Australia**


ABN: 44 401 438 657

# Certificate by Prescribed Designated Officer

Certificate for the year ended 31 December 2020

I, Chris Watt, being the *Secretary* of the *Independent Education Union of Australia* certify:

- that the documents lodged herewith are copies of the full report for the *Independent Education Union of Australia* 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 ~~21-05-21~~; and
- that the full report was presented to a meeting of the reporting unit on ~~21-05-21~~ <sup>26-05-21</sup> in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: ..... 

Name of prescribed designated officer: Chris Watt

Title of prescribed designated officer: FEDERAL SECRETARY

Dated: ..... 01-06-2021 .....

## **Independent Audit Report to the Members of Independent Education Union of Australia Report on the Audit of the Financial Report**

### **Opinion**

I have audited the financial report of Independent Education Union of Australia (the Registration Organisation), which comprises the statement of financial position as at 31 December 2020, the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2020, notes to the financial statements, including a summary of significant accounting policies, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report of Independent Education Union of Australia is in accordance with:

- a) the Australian Accounting Standards; and
- b) gives a true and fair view of the Organisation's financial position as at 31 December 2020 and of its financial performance for the year then ended; and
- c) 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 (including Independence Standards)* (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 is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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

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

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

The committee of management of the 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 have no realistic alternative but to do so.

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

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

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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.
- 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.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. I did not locate any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. Therefore, my opinion on the financial report is not modified.

#### **Vincent's Audit Pty Ltd**

**Phillip W Miller CA  
Director**

Canberra

26/05/2021

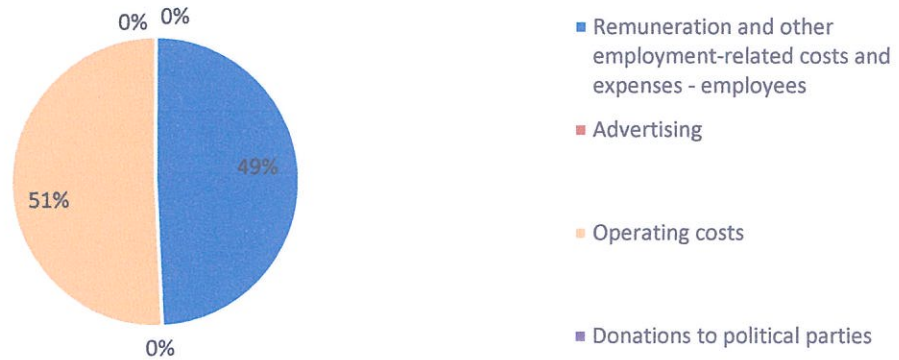
Registration number (as registered by the RO Commissioner under the RO Act): AA2017/24

# Report required under subsection 255(2A)

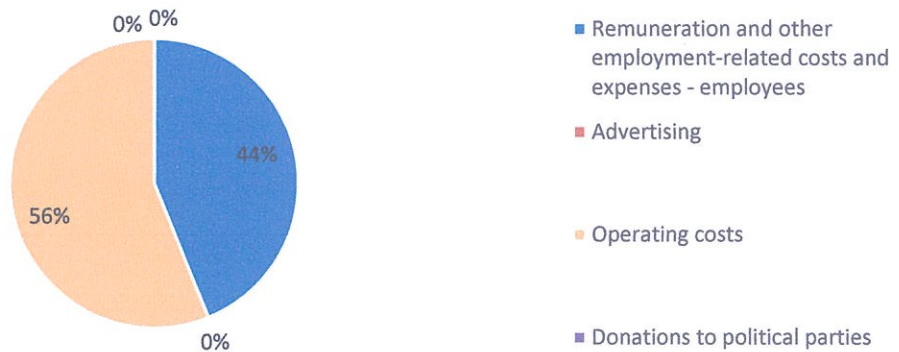
for the year ended 31 December 2020

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2020.

## 2020 - Expenditure as required under s. 255(2A) RO Act



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



Signature of designated officer: .....

Name and title of designated officer: Chris Watt, Secretary

Dated: ..... 21/5/21 .....

# Operating report

*for the year ended 31 December 2020*

The committee of management presents its operating report on the reporting unit for the year ended *31 December 2020*.

## **Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year**

### **Principal Activities**

- 1) Support and advice to branches regarding political, industrial, legal and professional agendas. Ensuring ongoing advice to them on the Federal Government's industrial legislation.
- 2) Representation of the industrial and professional interests of the members in a broad range of federal spheres. This includes the ACTU and its committees; participation in forums on educational and professional issues of relevance to IEU members; representation to Government Ministers and Shadow Ministers on government policies relevant to the professional and industrial interests of our members; representation of the Union's interests at the Fair Work Commission in relation to rules matters and the defence of members' industrial rights in industrial disputes.
- 3) Submissions to national inquiries on school funding, educational, industrial and human rights issues relevant to the membership and the broader community. Appearance before such inquiries on behalf of the Union and its membership and participation in the public debate on these matters.
- 4) Research in relevant areas of public policy such as the funding of schooling, industrial, legal and constitutional matters, educational issues, and human rights concerns to inform our own policy development. Oversight of the comparative salaries and conditions of various categories of staff in non-government schools across the jurisdictions. Monitoring of Fair Work decisions and decisions from other jurisdictions.
- 5) Protection and carriage of the Union's Rules.
- 6) Negotiation and prosecution of claims for improved salaries and conditions for workers on Federal Awards through Fair Pay Commission processes.

## **Independent Education Union of Australia**

ABN: 44 401 438 657

### **Results of these activities**

- 1) Sustained membership of the Union's Branches
- 2) A proactive membership industrially and professionally
- 3) Continued public profile of the Union on behalf of teachers and support staff in non-government education
- 4) Improvements in the industrial and professional conditions of the membership

### **Significant changes in the nature of these activities**

- 1) There have been no significant changes in the nature of these activities over the past year.

### **Significant changes in Financial affairs**

- 1) There have been no significant changes in the financial activities over the past year.

### **Right of members to resign**

A member may resign from the Union in accord with Rule 21.

## Independent Education Union of Australia

ABN: 44 401 438 657

### RULE 21 - RESIGNATION FROM MEMBERSHIP

- (A) A member of the Union may resign from membership by written notice addressed and delivered to the relevant Branch Secretary.
- (B) 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 by the Union; 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 two weeks after the notice is received by the organisation;  
or
    - (ii) on the day specified in the notice;whichever is the later.
- (C) Any dues payable and not paid by a former member in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (D) A notice delivered to the person mentioned in subclause (a) shall be taken to have been received by the Union when it was delivered.
- (E) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with Subclause (a).
- (F) A resignation from membership of the Union is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

## Independent Education Union of Australia

ABN: 44 401 438 657

### Officers & employees who are superannuation fund trustee(s) (including position details) or director of a company that is a superannuation fund trustee

Debra James	Federal Council member, Federal President, Secretary IEUA VIC/TAS Branch Director of Catholic Superannuation Fund Director of Together Trustees
Cathy Hickey	Federal Council member, Director NGS Super Fund
Terry Burke	Federal Council member, Federal Deputy President, Secretary IEUA QNT Branch
Glen Seidel	Federal Council member, Federal Executive member, Secretary IEU(SA) Branch Director NGS Super Fund
John Quessy	Federal Council member, , Secretary IEUA NSW/ACT Branch Alternate Director NGS Super Fund
Christine Wilkinson	Federal Council member, President IEUA NSW/ACT Branch Director NGS Super Fund
Angela Briant	Federal Council member, Secretary IEU WA Branch Director WA Super

### Number of members

There were 76,740 members on the register of members on 31st December 2020.

### Number of employees

As at 31 December 2020, the number of employees employed on a full-time equivalent basis was 4.4 FTE.

## Independent Education Union of Australia

ABN: 44 401 438 657

### Names of Committee of Management members and period positions held during the financial year

The following persons are on the Federal Executive of the Union. The period of time during the reporting period for which they have held their position is indicated:

Chris Watt	Federal Secretary	12 months
Christine Cooper	Assistant Federal Secretary	12 months
Anthony Odgers	Assistant Federal Secretary	12 months
John Quessy	President	3 months
Deb James	Deputy President	3 months
	President	9 months
Terry Burke	Vice President	3 months
	Deputy President	9 months
Glen Seidel	Vice President	12 months
Angela Briant	Delegate	6 months
Rebecca Collopy	Delegate	6 months
Mark Northam	Vice President	9 months
Loretta Cotter	Delegate	9 months

The Operating report for the period ended 31st December 2020 was prepared by Chris Watt, Federal Secretary.

Signature of designated officer: .....

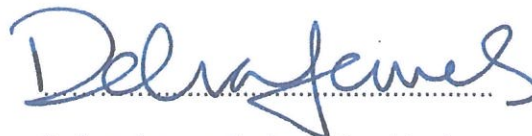


Name and title of designated officer: Chris Watt, Federal Secretary

Dated: .....

21/5/21

Signature of designated officer: .....



Name and title of designated officer: Debra James, Federal President

Dated: .....

21/5/21



# Committee of management statement

for the year ended 31 December 2020

On 26 / 05 / 2021 the Federal Executive of the *Independent Education Union of Austria* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2020:

The Federal Executive declares that in its opinion:

- a) the financial statements and notes comply with the Australian Accounting Standards;
- b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- e) during the financial year to which the GPFR relates and since the end of that year:
  - i. meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - ii. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - iii. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - iv. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - v. where information has been sought in any request by a member of the reporting unit or the Commissioner duly made under section 272 of the RO Act, that information 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:  .....

Name and title of designated officer: Chris Watt, Federal Secretary

Dated: 26 / 05 / 21. ....

# Independent Education Union of Australia

ABN: 44 401 438 657

## Statement of comprehensive income

for the year ended 31 December 2020

	Notes	2020 \$	2019 \$
<b>Revenue</b>			
Membership subscription*		-	-
Capitation fees and other revenue from another reporting unit*	3A	1,437,124	1,488,880
Levies	3B	-	-
Investment income	3C	1,423	8,755
Other revenue	3D	463,200	496,293
<b>Total revenue</b>		<b>1,901,747</b>	<b>1,993,928</b>
<b>Other Income</b>			
Grants and/or donations*	3E	100,000	-
Revenue from recovery of wages activity*	3F	-	-
<b>Total other income</b>		<b>100,000</b>	<b>-</b>
<b>Total income</b>		<b>2,001,747</b>	<b>1,993,928</b>
<b>Expenses</b>			
Employee expenses	4A	(885,301)	(884,230)
Capitation fees and other expense to another reporting unit*	4B	-	-
Affiliation fees	4C	(665,745)	(646,262)
Administration expenses	4D	(150,150)	(325,262)
Grants or donations	4E	(15,000)	(100,000)
Depreciation and amortisation	4F	(1,784)	(1,105)
Legal costs	4G	(69,569)	(46,811)
Audit fees	13	(8,238)	(8,100)
Other expenses	4H	(2,500)	(3,000)
<b>Total expenses</b>		<b>(1,798,287)</b>	<b>(2,014,770)</b>
<b>Surplus (deficit) for the year</b>		<b>203,460</b>	<b>(20,842)</b>
<b>Other comprehensive income</b>			
Items that will be subsequently reclassified to profit or loss			
Gain/(loss) on available for sale investments		-	-
Gain/(loss) on debt instruments at fair value through other comprehensive income (FVTOCI)		-	-
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	-
Gain/(loss) on equity instruments designated at FVTO		-	-
<b>Total comprehensive income for the year</b>		<b>203,460</b>	<b>(20,842)</b>

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

# Independent Education Union of Australia

ABN: 44 401 438 657

## Statement of financial position

as at 31 December 2020

	Notes	2020 \$	2019 \$
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	5A	662,168	480,140
Trade and other receivables*	5B	108,687	9,269
Other current assets	5C	5,259	4,405
<b>Total current assets</b>		<b>776,114</b>	<b>493,814</b>
Non-current Assets			
Plant and equipment	6A	5,359	7,143
<b>Total non-current assets</b>		<b>5,359</b>	<b>7,143</b>
<b>Total assets</b>		<b>781,473</b>	<b>500,957</b>
<b>LIABILITIES</b>			
Current Liabilities			
Trade payables*	7A	66,996	39,547
Other payables*	7B	8,679	29,100
Employee provisions	8A	457,571	392,583
<b>Total current liabilities</b>		<b>533,246</b>	<b>461,230</b>
Non-current Liabilities			
Employee provisions	8A	30,801	25,761
<b>Total non-current liabilities</b>		<b>30,801</b>	<b>25,761</b>
<b>Total liabilities</b>		<b>564,047</b>	<b>486,991</b>
Net assets		<b>217,426</b>	<b>13,966</b>
<b>EQUITY</b>			
Retained earnings	9	217,426	13,966
<b>Total equity</b>		<b>217,426</b>	<b>13,966</b>

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

## Independent Education Union of Australia

ABN: 44 401 438 657

# Statement of changes in equity

*for the year ended 31 December 2020*

	Retained earnings	Total equity
	\$	\$
Balance as at 1 January 2019	34,808	34,808
Surplus / (deficit)	(20,842)	(20,842)
Closing balance as at 31 December 2019	13,966	13,966
<b>Balance as at 1 January 2020</b>	<b>13,966</b>	<b>13,966</b>
Surplus / (deficit)	203,460	203,470
<b>Closing balance as at 31 December 2020</b>	<b>217,426</b>	<b>217,436</b>

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

# Independent Education Union of Australia

ABN: 44 401 438 657

## Statement of cash flows

for the year ended 31 December 2020

	2020	2019
	\$	\$
Notes		
<b>OPERATING ACTIVITIES</b>		
<b>Cash received</b>		
Receipts from customers	2,090,084	2,193,775
Proceeds from interest received classified as operating	1,423	8,755
<b>Cash used</b>		
Payments to suppliers	(982,270)	(1,174,882)
Payments to employees	(740,966)	(798,638)
Payments to ATO	(149,463)	(124,515)
Lease payments from short-term leases	(35,100)	(35,100)
Lease payments for leases of low-value assets	(1,680)	(1,680)
<b>Net cash from (used by) operating activities</b>	10B <b>182,028</b>	<b>67,715</b>
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Proceeds from sale of plant and equipment	-	-
Proceeds from sale of land and buildings	-	-
<b>Cash used</b>		
Purchase of plant and equipment	-	(4,715)
Purchase of land and buildings	-	-
<b>Net cash from (used by) investing activities</b>	-	(4,715)
<b>FINANCING ACTIVITIES</b>		
<b>Cash received</b>		
Contributed equity	-	-
Other	-	-
<b>Cash used</b>		
Repayment of borrowings	-	-
Other	-	-
<b>Net cash from (used by) financing activities</b>	-	-
<b>Net increase (decrease) in cash held</b>	<b>182,028</b>	<b>63,000</b>
Cash & cash equivalents at the beginning of the reporting period	<b>480,140</b>	417,140
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A <b>662,168</b>	<b>480,140</b>

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

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# Independent Education Union of Australia

ABN: 44 401 438 657

## Note 1 Summary of significant accounting policies

### 1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with 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 Independent Education Union of Australia is a not-for-profit entity.

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

### 1.2 Comparative amounts

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

### 1.3 Significant accounting judgements and estimates

There are no significant accounting judgements and estimates relevant to the Registered Organisation for the year ended 31 December 2020.

### 1.4 New Australian Accounting Standards

#### Adoption of New Australian Accounting Standard requirements

No accounting standard has been adopted earlier than the application date stated in the standard. The reporting unit has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The following Accounting Standards and Interpretations are most relevant to the consolidated entity:

#### Conceptual Framework for Financial Reporting (Conceptual Framework)

The consolidated entity has adopted the revised Conceptual Framework from 1 January 2020. The Conceptual Framework contains new definition and recognition criteria as well as new guidance on measurement that affects several Accounting Standards, but it has not had a material impact on the reporting unit's financial statements.

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## Future Australian Accounting Standards Requirements

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to future reporting periods that are expected to have a future financial impact on Independent Education Union of Australia include:

### **AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current**

This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted

## 1.5 Revenue

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

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

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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

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

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Registered Organisation expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred



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Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Registered Organisation have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Other income is recognised on an accruals basis when the Registered Organisation is entitled to it.

### 1.6 Gains

#### *Sale of assets*

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

### 1.7 Capitation fees and levies

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

### 1.8 Employee benefits

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

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

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

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

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

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### 1.9 Leases

At inception of a contract, the Registered Organisation assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

The Registered Organisation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Registered Organisation has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Registered Organisation's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Registered Organisation's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### Exceptions to lease accounting

The Registered Organisation has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets which is not more than AUD\$10,000 per asset.

The Registered Organisation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

### 1.10 Borrowing costs

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

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## 1.11 Cash

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

## 1.12 Financial instruments

Financial assets and financial liabilities are recognised when a Independent Education Union of Australia entity becomes a party to the contractual provisions of the instrument.

## 1.13 Financial assets

### Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost 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 Registered Organisation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Independent Education Union of Australia 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, 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 Registered Organisation's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

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### Subsequent measurement

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

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through profit or loss

### Financial assets at amortised cost

The Independent Education Union of Australia 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 rate (**EIR**) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Registered Organisation's financial assets at amortised cost includes trade receivables.

### Financial assets at fair value through profit or loss

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.

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### Derecognition

A financial asset is derecognised when:

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

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

### Offsetting

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

### Impairment

#### (i) Trade receivables

For trade receivables that do not have a significant financing component, the Independent Education Union of Australia 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 Independent Education Union of Australia does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Independent Education Union of Australia has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

ECLs are recognised in two stages:

- Where there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses from possible default events within the next 12-months (a 12-month ECL).
- Where there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the debt, irrespective of the timing of the default (a lifetime ECL).

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

## 1.14 Financial Liabilities

### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost.

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 Independent Education Union of Australia's financial liabilities include trade and other payables.

### 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.

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

### **Derecognition**

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

### **1.15 Contingent liabilities and contingent assets**

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

### **1.16 Plant and equipment**

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

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

#### ***Depreciation***

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

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

	<b>2020</b>	<b>2019</b>
Office Equipment	<b>20 - 30%</b>	20 - 30%

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### *Derecognition*

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

### **1.17 Impairment of non-financial assets**

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

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

### **1.18 Taxation**

The Independent Education Union of Australia 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**).

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

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

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

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

### **1.19 Fair value measurement**

The Independent Education Union of Australia measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15A.



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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 Independent Education Union of Australia. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The Independent Education Union of Australia 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

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

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Independent Education Union of Australia 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.

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### Note 2 Events after the reporting period

There were no events that occurred after 31 December 2020, prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Independent Education Union of Australia.

### Note 3 Revenue and income

#### Disaggregation of revenue from contracts with customers

A disaggregation of Independent Education Union of Australia revenue by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of revenue by type of customer:

	2020	2019
	\$	\$
<b><i>Type of customer</i></b>		
Members	1,437,124	1,488,880
Other reporting units	463,199	496,293
Government	100,000	-
Other parties	1,423	8,755
<b>Total revenue from contracts with customers</b>	<b>2,001,746</b>	<b>1,993,928</b>

#### Disaggregation of income for furthering activities

A disaggregation of Independent Education Union of Australia income by type of arrangement is provided on the face of the Statement of Comprehensive Income. The table below also sets out a disaggregation of income by funding source:

<b><i>Income funding sources</i></b>		
Members	1,437,124	1,488,880
Other reporting units	463,199	496,293
Government	100,000	-
Other parties	1,423	8,755
<b>Total income for furthering activities</b>	<b>2,001,746</b>	<b>1,993,928</b>

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### Note 3A: Capitation fees and other revenue from another reporting unit\*

	2020	2019
	\$	\$
<b>Capitation fees:</b>		
Capitation fees	1,437,124	1,488,880
<b>Subtotal capitation fees</b>	<u>1,437,124</u>	<u>1,488,880</u>
<b>Other revenue from another reporting unit:</b>		
Subtotal other revenue from another reporting unit	-	-
<b>Total capitation fees and another revenue from other reporting unit</b>	<u>1,437,124</u>	<u>1,488,880</u>

### Note 3B: Levies\*

Levies	-	-
<b>Total levies</b>	<u>-</u>	<u>-</u>

### Note 3C: Investment income

Interest income	1,423	8,755
<b>Total investment income</b>	<u>1,423</u>	<u>8,755</u>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

### Note 3D: Other revenue

Revenue from other operating activities	463,200	496,293
<b>Total other revenue</b>	<u>463,200</u>	<u>496,293</u>

### Note 3E: Grants or donations\*

Grants	100,000	-
Donations	-	-
<b>Total grants or donations</b>	<u>100,000</u>	<u>-</u>

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	2020	2019
	\$	\$
<b>Note 3F: Revenue from recovery of wages activity</b>		
Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
<b>Total revenue from recovery of wages activity</b>	<b>-</b>	<b>-</b>
Note 4 Expenses		
<b>Note 4A: Employee expenses*</b>		
<b>Holders of office:</b>		
Wages and salaries	582,305	558,636
Superannuation	87,090	83,428
Leave and other entitlements	64,675	61,155
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>734,070</b>	<b>703,219</b>
<b>Employees other than office holders:</b>		
Wages and salaries	126,628	139,552
Superannuation	19,250	21,300
Leave and other entitlements	5,353	20,159
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<b>151,231</b>	<b>181,011</b>
<b>Total employee expenses</b>	<b>885,301</b>	<b>884,230</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

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	2020	2019
	\$	\$
<b>Note 4B: Capitation fees and other expense to another reporting unit*</b>		
Capitation fees	-	-
<b>Total capitation fees and other expense to another reporting unit</b>	<b>-</b>	<b>-</b>
<b>Note 4C: Affiliation fees*</b>		
Australian Council of Trade Unions	452,845	444,338
International – Education International	194,524	183,646
The Council of Pacific Education	15,000	15,000
Australian People For Health Education & Development Abroad	3,376	3,278
<b>Total affiliation fees/subscriptions</b>	<b>665,745</b>	<b>646,262</b>
<b>Note 4D: Administration expenses</b>		
Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	34,969	213,334
Contractors/consultants	-	-
Communication and website expenses	7,959	14,047
Office expenses	69,655	59,981
Information communications technology	-	-
Other	-	-
<b>Subtotal administration expense</b>	<b>112,583</b>	<b>287,362</b>
Operating lease rentals:		
Minimum lease payments	37,567	37,900
<b>Total administration expenses</b>	<b>150,150</b>	<b>325,262</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

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	2020	2019
	\$	\$
<b>Note 4E: Grants or donations*</b>		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	15,000	100,000
<b>Total grants or donations</b>	<b>15,000</b>	<b>100,000</b>

## Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	-	-
Property, plant and equipment	1,784	1,105
<b>Total depreciation</b>	<b>1,784</b>	<b>1,105</b>
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>1,784</b>	<b>1,105</b>

## Note 4G: Legal costs\*

Litigation	-	-
Other legal costs	69,569	46,811
<b>Total legal costs</b>	<b>69,569</b>	<b>46,811</b>

## Note 4H: Other expenses

Other expenses*	2,500	3,000
<b>Total other expenses</b>	<b>2,500</b>	<b>3,000</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

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	2020	2019
	\$	\$

## Note 5 Current Assets

### Note 5A: Cash and cash equivalents

Cash at bank and in hand	488,362	307,706
Business investment account	173,806	172,434
<b>Total cash and cash equivalents</b>	<b>662,168</b>	<b>480,140</b>

### Note 5B: Trade and other receivables

Receivables from other reporting unit*	-	-
<b>Total receivables from other reporting unit[s]</b>	<b>-</b>	<b>-</b>

#### Other receivables:

Other trade receivables	108,687	9,269
<b>Total other receivables</b>	<b>108,687</b>	<b>9,269</b>
<b>Total trade and other receivables (net)</b>	<b>108,687</b>	<b>9,269</b>

The movement in the allowance for expected credit losses of trade and other receivables is as follows:

At 1 Jan	-	-
Provision for expected credit losses	-	-
Write-off	-	-
<b>At 31 December</b>	<b>-</b>	<b>-</b>

### Note 5C: Other current assets

Prepayments	5,259	4,405
<b>Total other current assets</b>	<b>5,259</b>	<b>4,405</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

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2020	2019
\$	\$

### Note 6 Non-current Assets

#### Note 6A: Plant and equipment

Plant and equipment:

at cost	29,921	29,921
accumulated depreciation	24,562	22,778
<b>Total plant and equipment</b>	<b>5,359</b>	<b>7,143</b>

#### *Reconciliation of opening and closing balances of plant and equipment*

<b>As at 1 Jan</b>		
Gross book value	29,921	25,206
Accumulated depreciation and impairment	(22,778)	(21,673)
<b>Net book value 1 Jan</b>	<b>7,143</b>	<b>3,533</b>
Additions:		
By purchase	-	4,715
Depreciation expense	(1,784)	(1,105)
<b>Net book value 31 December</b>	<b>5,359</b>	<b>3,610</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	29,921	29,921
Accumulated depreciation and impairment	(24,562)	(22,778)
<b>Net book value 31 December</b>	<b>5,359</b>	<b>7,143</b>



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	2020	2019
	\$	\$

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	66,996	39,547
<b>Subtotal trade creditors</b>	<b>66,996</b>	<b>39,547</b>
Payables to other reporting unit[s]*:		
<b>Subtotal payables to other reporting unit[s]</b>	<b>-</b>	<b>-</b>
<b>Total trade payables</b>	<b>66,996</b>	<b>39,547</b>

Settlement is usually made within 30 days.

### Note 7B: Other payables

Wages and salaries	-	-
Superannuation	9,746	7,635
GST (receivable)/payable	(1,067)	21,465
<b>Total other payables</b>	<b>8,679</b>	<b>29,100</b>
Total other payables are expected to be settled in:		
No more than 12 months	8,679	29,100
More than 12 months	-	-
<b>Total other payables</b>	<b>8,679</b>	<b>29,100</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

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2020	2019
\$	\$

## Note 8 Provisions

### Note 8A: Employee provisions\*

#### Office holders:

Annual leave	183,968	139,011
Long service leave	248,629	228,911
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—office holders</b>	<b>432,597</b>	<b>367,922</b>

#### Employees other than office holders:

Annual leave	24,974	24,661
Long service leave	30,801	25,761
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<b>55,775</b>	<b>50,422</b>

#### Total employee provisions

<b>488,372</b>	<b>418,344</b>
----------------	----------------

Current	457,571	392,583
Non-current	30,801	25,761
<b>Total employee provisions</b>	<b>488,372</b>	<b>418,344</b>

## Note 9 Equity

### Note 9A: General funds

Retained earnings		
<b>Balance as at start of year</b>	<b>13,966</b>	<b>34,808</b>
Current year earnings	203,460	(20,842)
<b>Balance as at end of year</b>	<b>217,426</b>	<b>13,966</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

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2020                      2019  
\$                              \$

## Note 10      Cash Flow

### Note 10A: Cash flow reconciliation

#### Reconciliation of cash and cash equivalents as per balance sheet to cash flow statement:

Cash and cash equivalents as per:		
Cash flow statement	662,168	480,140
Balance sheet	662,168	480,140
Difference	-	-

### Note 10B: Reconciliation of profit/(deficit) to net cash from operating activities:\*

Profit/(deficit) for the year	203,460	(20,842)
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	1,784	1,105
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	(99,418)	(6,853)
(Increase)/decrease in prepayments	(854)	16,939
Increase/(decrease) in trade payables	29,560	(1,385)
Increase/(decrease) in other payables	(22,532)	(2,563)
Increase/(decrease) in other provisions	70,028	81,314
<b>Net cash from (used by) operating activities</b>	<b>182,028</b>	<b>67,715</b>

### Note 10C: Cash flow information\*

Cash inflows		
Receipts from customers	2,090,084	2,193,775
Interest income	1,423	8,755
<b>Total cash inflows</b>	<b>2,091,507</b>	<b>2,202,530</b>
Cash outflows		
Payments to suppliers	(982,270)	(1,211,662)
Payments to employees	(740,966)	(798,638)
Payments to the ATO	(149,463)	(124,515)
<b>Total cash outflows</b>	<b>(1,872,699)</b>	<b>(2,134,815)</b>

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement.

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2020	2019
\$	\$

### Note 11 Contingent Liabilities, Assets and Commitments

In the opinion of the Directors, the Registered Organisation did not have any contingencies liabilities at 31 December 2020 (31 December 2019: None).

#### Note 11A: Commitments and contingencies

##### Lease commitments—as lessee

Future minimum rentals payable under non-cancellable operating leases as at 31 December are:

Within one year	3,346	3,745
After one year but not more than five years	-	-
More than five years	-	-
	<u>3,346</u>	<u>3,745</u>

Periodic lease on monthly basis is in place for the office premises and a rental for photocopy machine.

#### Note 11B: Lease impact in the statement of profit and loss and other comprehensive income

Variable lease payments not included in the measurement of lease liabilities	35,100	35,100
Expenses relating to leases of low-value assets	1,680	1,680
Total cash outflow for leases	<u>36,780</u>	<u>36,780</u>

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2020	2019
\$	\$

### Note 12 Related Party Disclosures

#### Note 12A: Related party transactions for the reporting period

Transactions with related parties include capitation fees charged to State Branches of the Independent Education Union (Accrual basis). Some State Branches of the Independent Education Union have reporting periods that differ from that of the Registered Organisation, therefore, related party transaction balances may vary from those of the related State Branches.

The following table provides the total amount of transactions that have been entered into with related parties for the relevant year.

Revenue received from IEUA - ACT/NSW Branch includes the following:

Capitation Fees	579,549	600,323
ACTU Levy	186,777	200,108
Payroll Tax	34,500	41,755
Postage and Courier	695	639

Revenue received from IEUA - VIC/TAS Branch includes the following:

Capitation Fees	387,277	398,251
ACTU Levy	124,812	131,750

Revenue received from IEUA - SA Branch includes the following:

Capitation Fees	62,932	70,041
ACTU Levy	20,282	22,347
Reimbursement	18	-

Revenue received from IEUA - QNT Branch includes the following:

Capitation Fees	321,885	330,038
ACTU Levy	103,737	110,013

Revenue received from IEUA - WA Branch includes the following:

Capitation Fees	85,615	93,226
ACTU Levy	27,592	31,075

Expenses paid to IEUA - ACT/NSW Branch includes the following:

Reimbursements	2,780	(1,336)
Rental	35,102	(35,102)

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### Note 12A: Related party transactions for the reporting period (Cont'd)

	2020	2019
	\$	\$
Expenses paid to IEUA - QNT Branch includes the following:		
Payroll Tax	10,295	(9,904)
Expenses paid to IEUA – WA Branch includes the following:		
Reimbursements	-	(2,000)
Expenses paid to IEUA – VIC/TAS Branch includes the following:		
Payroll Tax	12,639	(7,340)

### Note 12B: Key management personnel remuneration for the reporting period

<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	582,305	558,636
Annual leave accrued	44,957	30,943
	<u>627,262</u>	<u>589,579</u>
<b>Post-employment benefits:</b>		
Superannuation	87,090	83,428
<b>Total post-employment benefits</b>	<u>87,090</u>	<u>83,428</u>
<b>Other long-term benefits:</b>		
Long-service leave	19,718	30,213
<b>Total other long-term benefits</b>	<u>19,718</u>	<u>30,213</u>
<b>Total</b>	<u>734,070</u>	<u>703,220</u>

### Note 13 Remuneration of Auditors

<b>Value of the services provided</b>		
Financial statement audit services	8,238	8,100
<b>Total remuneration of auditors</b>	<u>8,238</u>	<u>8,100</u>

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### Note 14 Financial Instruments

The Registered Organisation is exposed to a variety of financial risks through its use of financial instruments.

The Registered Organisation's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Registered Organisation is exposed to are described below:

#### Specific risks

- Liquidity risk
- Credit risk
- Market risk – interest rate risk

#### Financial instruments used

The principal categories of financial instrument used by the Registered Organisation are:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

### Note 14A: Categories of Financial Instruments

#### *Financial assets*

	2020	2019
	\$	\$
Cash and cash equivalents	662,168	480,140
Trade and other receivables	108,687	9,269
<b>Carrying amount of financial assets</b>	<b>770,855</b>	<b>489,409</b>

#### *Financial liabilities*

Financial liabilities at fair value		-
Trade payables	54,764	3,239
Other payables	-	-
<b>Carrying amount of financial liabilities</b>	<b>54,764</b>	<b>3,239</b>

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	2020	2019
	\$	\$
<b>Note 14B: Net income and expense from financial assets</b>		
<b>Loans and receivables/amortised cost</b>		
Interest revenue	1,423	8,755
<b>Sub-total net income/(expense) from financial assets</b>	<u>1,423</u>	<u>8,755</u>

### **Note 14C: Net income and expense from financial liabilities**

The net income/expense from financial liabilities not at fair value from profit and loss is \$nil (2019: \$nil).

### **Note 14D: Credit risk**

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Registered Organisation.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to members, including outstanding receivable and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

#### Trade receivables

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

On a geographical basis, the Registered Organisation has significant credit risk exposures in Australia only.



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2020            2019  
\$                \$

The following table illustrates the entity's gross exposure to credit risk, excluding any collateral or credit enhancements.

<b>Financial assets</b>		
Cash at bank	662,168	480,140
Trade receivables	100,000	-
Other receivables	8,687	9,269
<b>Total</b>	<b>770,855</b>	<b>489,409</b>
<b>Financial liabilities</b>		
Trade payables	54,764	3,239
<b>Total</b>	<b>54,764</b>	<b>3,239</b>

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

31 December 2020	Trade and other receivables					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	-
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

31 December 2019	Trade and other receivables					Total
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	
	\$	\$	\$	\$	\$	\$
Expected credit loss rate	0%	0%	0%	0%	0%	-
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

The Registered Organisation's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2020 and 2019 is the carrying amounts as illustrated in Note 14D.

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### Note 14E: Liquidity risk

Liquidity risk is the risk that the Registered Organisation will encounter difficulty in meeting its financial obligations as they fall due.

The Registered Organisation's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Registered Organisation maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by ability to sell long-term financial assets.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period is identified monthly.

At the reporting date, these reports indicate that the Registered Organisation expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The Registered Organisation does not have any contractual liability such as bank loans, finance lease etc.

#### Contractual maturities for financial liabilities 2020

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Office Equipment	-	421	-	-	-	421
Office Space	-	2,925	-	-	-	2,925
<b>Total</b>	-	<b>3,346</b>	-	-	-	<b>3,346</b>

#### Contractual maturities for financial liabilities 2019

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		\$	\$	\$	\$	\$
Office Equipment	-	1,680	421	-	-	2,101
Office Space	-	2,925	-	-	-	2,925
<b>Total</b>	-	<b>4,605</b>	<b>421</b>	-	-	<b>5,026</b>

**Note 14F: Market risk**

Market risks is the risk that the fair value for future cash flows of a financial instrument will fluctuate because of changes in market prices.

*Interest rate risk*

The Registered Organisation is exposed to market risk through its use of financial instruments and specifically to interest rate risk, which results from its operations.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2018: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the cash & cash equivalents held at each reporting date. All other variables are held constant.

**Sensitivity analysis of the risk that the entity is exposed to for 2020**

Risk variable	Change in risk variable %	Effect on	
		Profit and loss	Equity
		\$	\$
Interest rate risk	6,622	+1.00%	6,622 (6,622)
Interest rate risk	6,622	-1.00%	(6,622) 6,622

**Sensitivity analysis of the risk that the entity is exposed to for 2019**

Risk variable	Change in risk variable %	Effect on	
		Profit and loss	Equity
		\$	\$
Interest rate risk	4,801	+1.00%	4,801 (4,801)
Interest rate risk	4,801	-1.00%	(4,801) 4,801

**Note 15 Fair Value Measurement**

Note 15A: Financial assets and liabilities

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

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2020 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Independent Education Union of Australia based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2020 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Registered Organisation's financial assets and liabilities:

	Carrying amount 2020 \$	Fair value 2020 \$	Carrying amount 2019 \$	Fair value 2019 \$
<b>Financial assets</b>				
Cash and cash equivalent	662,168	662,168	480,140	480,140
Trade receivables	100,000	100,000	-	-
Other trade receivables	8,687	8,687	9,269	9,269
<b>Total</b>	<b>770,855</b>	<b>770,855</b>	<b>489,409</b>	<b>489,409</b>
<b>Financial liabilities</b>				
Trade creditor	54,764	54,764	3,239	3,239
<b>Total</b>	<b>54,764</b>	<b>54,764</b>	<b>3,239</b>	<b>3,239</b>

**Note 15B: Financial and non-financial assets and liabilities fair value hierarchy**

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

**Fair value hierarchy – 31 December 2020**

	Level 1	Level 2	Level 3
	\$	\$	\$
<b>Assets measured at fair value</b>			
Cash and cash equivalent	662,168	-	-
Trade receivables	-	100,000	-
Other trade receivables	-	9,269	-
<b>Total</b>	<b>662,168</b>	<b>109,269</b>	<b>-</b>
<b>Liabilities measured at fair value</b>			
Trade creditor	-	3,239	-
<b>Total</b>	<b>-</b>	<b>3,239</b>	<b>-</b>

**Fair value hierarchy – 31 December 2019**

	Level 1	Level 2	Level 3
	\$	\$	\$
<b>Assets measured at fair value</b>			
Cash and cash equivalent	480,140	-	-
Other trade receivables	-	9,269	-
<b>Total</b>	<b>480,140</b>	<b>9,269</b>	<b>-</b>
<b>Liabilities measured at fair value</b>			
Trade creditor	-	3,239	-
<b>Total</b>	<b>-</b>	<b>3,239</b>	<b>-</b>

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Note 16      Section 272 *Fair Work (Registered Organisations) Act 2009*

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

Information to be provided to members or Commissioner:

- 1) A member of a 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).

# Officer declaration statement

I, Chris Watt, being the Federal Secretary of the Independent Education Union of Australia, declare that the following activities did not occur during the reporting period ending 31 December 2020.

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- 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 payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- 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 units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisations or branch

Signed by the officer: .....

Dated: ..... 21/5/21 .....