

# **Annual Report**

NT Branch of the Australian Education Union  
ABN 64 406 978 451

31 December 2015

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**

**ABN 64 406 978 451**

**FINANCIAL STATEMENTS**

**31 December 2015**

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## **INDEPENDENT AUDITOR'S REPORT**

To the members of  
NT Branch of the Australian Education Union

### **Report on the financial statements**

We have audited the accompanying financial statements of NT Branch of the Australian Education Union (the "Branch"), which comprise the statement of financial position as at 31 December 2015, the statement of profit and loss and other comprehensive income, the statement of changes in equity and statement of cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

#### *Committee of Management's responsibility for the financial statements*

The Committee of Management is responsible for the preparation and fair presentation of these financial statements in accordance with Australian Accounting Standards and relevant provisions of the Fair Work (Registered Organisations) Act 2009, and for such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

**INDEPENDENT AUDITOR'S REPORT** *(continued)*

*Independence*

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Branch as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards.



**BARRY HANSEN**  
Chartered Accountant  
Registered Company Auditor

Date: *22 April 2016*

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**

S.268 *Fair Work (Registered Organisations) Act 2009*

**CERTIFICATE BY PRESCRIBED DESIGNATED OFFICER**

Certificate for the period ended 31 December 2015

I *Jarvis Anthony Ryan* being the *President* of the *NT Branch of the Australian Education Union* certify:

- that the documents lodged herewith are copies of the full report for the *NT Branch of the Australian Education Union* for the period ended 31 December 2015 referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
- that the *full report* was provided to members of the Branch on \_\_\_\_\_; and
- that the full report was presented to a *meeting of the committee of management* of the NT Branch of the Australian Education Union on \_\_\_\_\_ in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated

officer:.....

Name of prescribed designated

officer:.....

Title of prescribed designated officer:

.....

Dated:

.....

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**ABN 64 406 978 451**  
**OPERATING REPORT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

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Your Committee members present their report on the Branch for the financial year ended 31 December 2015.

**Committee members**

The names of the committee members (the Branch Executive) throughout the year and at the date of this report are:

Jarvis Ryan	Branch President
Anita Jonsberg	Branch Secretary
Stephen Pelizzo	Vice-President (General)
Julie Danvers	Treasurer
Melanie Baldwin	Women's Officer
Cassandra Brown	Indigenous Officer
Michael Sandford	Regional Councillor (term ended 17/1/16)
Grace Tongatua	Regional Councillor (commenced 18/1/16)
Selena Uiho	Regional Councillor (term ended 17/1/16)
Bernie Gleeson	Regional Councillor (commenced 18/1/16)
Paula Thornton	Regional Councillor
Judy Boland	Regional Councillor (term ended 17/1/16)
Bruce Cameron	Regional Councillor (commenced 18/1/16)
Barry George	Regional Councillor
Alice Leppitt	Regional Councillor (term ended 17/1/16)
Rachel Bury	Regional Councillor (resigned 25/5/15)
Adam Lampe	Regional Councillor (commenced 18/1/16)
Ken Guest	Regional Councillor (commenced 1/5/16)
Robert Skidmore	Regional Councillor (commenced 1/5/16)
Delean Holtze	Regional Councillor (commenced 18/1/16)
Sheryl Fotakis	Regional Councillor
Glynis Winslade	Regional Councillor
Peter Hardcastle	Regional Councillor (term ended 17/1/16)
Rebecca Campbell	Regional Councillor (commenced 18/1/16)

**Principal activities**

The AEU is a professional and industrial organisation, registered under the Fair Work (Registered Organisations Act) 2009, representing teachers and education workers in public educational facilities.

The AEU is a democratic, federated structure, with a Federal Office based in Melbourne and branches in each state and territory in Australia.

The AEU's NT Branch has the following objectives:

- To increase Government funding to public education facilities
- To enhance the professional status of AEU NT members in public education
- Protect and promote quality teaching and learning
- Protect and enhance the industrial rights of AEU NT members
- Promote human rights and social justice

The principal activity of the Australian Education Union Northern Territory during the reporting period was the protection and improvement of employment conditions for its members.

In 2015 the AEU NT promoted the 'I Give a Gonski' campaign, the Schools Funding Campaign and the Remote Education Campaign and has advocated for these in the community and with the Government.

### **Results of activities**

The 'I Give a Gonski' campaign has gained some backing in the NT, but efforts continue to be made with the Government and Opposition at a local level.

The Schools Funding Campaign focused on highlighting the reduction of public school budgets and was successful in keeping these in the media and at the forefront of public debate. This followed on from the 'Stop the Cuts' Campaign of 2014.

The Remote Education Campaign advocated for the continued provision of educational resourcing for senior students in remote settings and has been successful in alerting politicians and the public to what provision remote communities want for their students.

The AEU NT continued to promote the professional interests of members with representation on NTBOS, the TRB and other professional bodies, and assert the industrial rights of members through the enforcement of various Enterprise Agreements, as well as relevant legislation, by-laws and policies. The AEU NT took part as a bargaining agent in an enterprise agreement for employees at the Batchelor Institute of Indigenous Tertiary Education finalised in 2015.

### **Significant changes**

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

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

Members may resign from the union in accordance with Federal Rule 17, which reads as follows:  
*"17 - Resignation from membership and termination of eligibility"*

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

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

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

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

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

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

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

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

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

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

(4) A notice of resignation from membership takes effect:-

(a) here 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.

(5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a year before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.

(6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.

(7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).

(8) A resignation from membership is valid even if it is not 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.

(9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.

(10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.

(11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."

### **Membership and employee numbers**

The number of members as of 31 December 2015 was 1487 (the equivalent figure for 2014 was 1899).

The number of full-time equivalent employees of the Branch in 2015 was five, including two elected full-time officers.

### **Superannuation trustees**

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

(i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or

(ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme; and

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

### **Operating results**

The loss of the Branch for the financial year after providing for income tax amounted to \$116,117 (2014 loss: \$258,470).

### **After balance date events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations, or the state of affairs of the Branch in future financial years.



Signed in accordance with a resolution of the Branch Executive:



Jarvis Ryan – Branch President

22-4-16

Dated



Anita Jonsberg – Branch Secretary

22-4-16,

Dated

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**ABN 64 406 978 451**  
**COMMITTEE OF MANAGEMENT STATEMENT**  
**FOR THE YEAR ENDED 31 DECEMBER 2015**

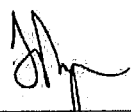
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On 22 April 2016 the Committee of Management of the NT Branch of the Australian Education Union passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2015:


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 the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; 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 General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

  
Jarvis Ryan – Branch President

22-4-16  
Dated

  
Anita Jonsberg – Branch Secretary

22-4-16  
Dated

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF COMPREHENSIVE INCOME**

*For the year ended 31 December 2015*

	Notes	2015 \$	2014 \$
<b>Revenue</b>			
Membership subscription		1,032,683	1,122,170
Capitation fees	3A	-	-
Levies	3B	-	-
Interest	3C	25,815	28,453
Other revenue		3,884	289
<b>Total revenue</b>		<b>1,062,382</b>	<b>1,150,912</b>
<b>Other Income</b>			
Grants and/or donations	3D	-	1,016
<b>Total other income</b>		<b>-</b>	<b>1,016</b>
<b>Total income</b>		<b>1,062,382</b>	<b>1,151,928</b>
<b>Expenses</b>			
Employee expenses	4A	607,467	752,369
Capitation fees	4B	65,677	63,382
Affiliation fees	4C	10,586	11,087
Administration expenses	4D	390,285	457,741
Grants or donations	4E	980	15,180
Depreciation and amortisation	4F	23,481	11,897
Finance costs	4G	12,573	8,948
Legal costs	4H	28,276	36,988
Audit fees	13	8,420	7,380
Other expenses	4I	30,754	45,426
<b>Total expenses</b>		<b>1,178,499</b>	<b>1,410,398</b>
<b>Loss for the year</b>		<b>(116,117)</b>	<b>(258,470)</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive loss for the year</b>		<b>(116,117)</b>	<b>(258,470)</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF FINANCIAL POSITION**

*As at 31 December 2015*

	Notes	2015 \$	2014 \$
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	5A	733,209	802,118
Trade and other receivables	5B	-	-
Other current assets	5C	4,369	-
<b>Total current assets</b>		<b>737,578</b>	<b>802,118</b>
Non-Current Assets			
Land and buildings	6A	320,389	320,389
Plant and equipment	6B	81,777	99,867
Other investments	6C	10	10
<b>Total non-current assets</b>		<b>402,176</b>	<b>420,266</b>
<b>Total assets</b>		<b>1,139,754</b>	<b>1,222,385</b>
<b>LIABILITIES</b>			
Current Liabilities			
Trade payables	7A	23,995	32,487
Other payables	7B	62,009	31,400
Employee provisions	8A	51,235	33,457
Finance lease-current portion	7C	9,355	8,742
<b>Total current liabilities</b>		<b>146,594</b>	<b>106,086</b>
Non-Current Liabilities			
Employee provisions	8A	-	-
Finance lease-non-current portion	9A	35,879	42,900
<b>Total non-current liabilities</b>		<b>35,879</b>	<b>42,900</b>
<b>Total liabilities</b>		<b>182,473</b>	<b>148,986</b>
<b>Net assets</b>		<b>957,281</b>	<b>1,073,398</b>
<b>EQUITY</b>			
Retained earnings		957,281	1,073,398
<b>Total equity</b>		<b>957,281</b>	<b>1,073,398</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**STATEMENT OF CHANGES IN EQUITY**  
*For the year ended 31 December 2015*

	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 January 2014</b>		-	1,331,868	1,331,868
Loss for the year		-	(258,470)	(258,470)
Other comprehensive income for the year		-	-	-
<b>Closing balance as at 31 December 2014</b>		-	<b>1,073,398</b>	<b>1,073,398</b>
Loss for the year		-	(116,117)	(116,117)
Other comprehensive income for the year		-	-	-
<b>Closing balance as at 30 June 2015</b>		-	<b>957,281</b>	<b>957,281</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**CASH FLOW STATEMENT**

*For the year ended 31 December 2015*

	Notes	2015 \$	2014 \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts		1,036,568	1,123,990
Interest		21,446	28,453
<b>Cash used</b>			
Employees		(589,690)	(789,832)
Suppliers		(526,077)	(620,507)
Interest paid		(5,765)	
Payment to other reporting units	10B	-	-
<b>Net cash from (used by) operating activities</b>	10A	<b>(63,518)</b>	<b>(257,896)</b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of land and buildings		-	-
Other		-	-
<b>Cash used</b>			
Purchase of plant and equipment		(5,391)	(50,675)
Purchase of land and buildings		-	-
Other		-	-
<b>Net cash from (used by) investing activities</b>		<b>(5,391)</b>	<b>(50,675)</b>
<b>FINANCING ACTIVITIES</b>			
Cash received		-	-
Cash used		-	-
<b>Net cash from (used by) financing activities</b>		<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash held</b>		<b>(68,909)</b>	<b>(308,571)</b>
Cash & cash equivalents at the beginning of the reporting period		802,118	1,110,689
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	5A	<b>733,209</b>	<b>802,118</b>

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**  
**RECOVERY OF WAGES ACTIVITY**

*For the period ended 31 December 2015*

	2015 \$	2014 \$
<b>Cash assets in respect of recovered money at beginning of year</b>	-	-
<b>Receipts</b>		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
<b>Total receipts</b>	-	-
<b>Payments</b>		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
<b>Total payments</b>	-	-
<b>Cash assets in respect of recovered money at end of year</b>	-	-
Number of workers to which the monies recovered relates		
<b>Aggregate payables to workers attributable to recovered monies but not yet distributed</b>		
Payable balance	-	-
Number of workers the payable relates to	-	-
<b>Fund or account operated for recovery of wages</b>		
Nil		

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Note 15	Fair value measurements
Note 16	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>



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

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

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

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

### **1.2    Comparative amounts**

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

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

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

## 1.4 New Australian Accounting Standards

### Adoption of New Australian Accounting Standard requirements

No accounting standards have been adopted earlier than the application date.

### Future Australian Accounting Standards Requirements

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

<b>Title of standard</b>	<b>Nature of change</b>	<b>Impact</b>	<b>Mandatory application date/ Date of adoption by Council</b>
AASB 9 Financial Instruments	AASB 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting. In December 2014, the AASB made further changes to the classification and measurement rules and also introduced a new impairment model. These latest amendments now complete the new financial instruments standard.	Following the changes approved by the AASB in December 2014, the Council no longer expects any impact from the new classification, measurement and derecognition rules on the Council's financial assets and financial liabilities. There will also be no impact on the Council's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Council does not have any such liabilities. The new standard also introduces expanded disclosure requirements and changes in presentation. The new impairment model is an expected credit loss (ECL) model which may result in the earlier recognition of credit losses. The Council has not yet assessed how its own impairment provisions would be affected by the new rules.	Must be applied for financial years commencing on or after 1 January 2018. Based on the transitional provisions in the completed IFRS 9, early adoption in phases was only permitted for annual reporting periods beginning before 1 February 2015. After that date, the new rules must be adopted in their entirety.

AASB 15 Revenue from Contracts with Customers	The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer – so the notion of control replaces the existing notion of risks and rewards. The standard permits a modified retrospective approach for the adoption. Under this approach entities will recognise transitional adjustments in retained earnings on the date of initial application (eg 1 July 2017), i.e. without restating the comparative period. They will only need to apply the new rules to contracts that are not completed as of the date of initial application.	Management is currently assessing the impact of the new rules. Council is not able to estimate the impact of the new rules on the Council's financial statements. The Council will make more detailed assessments of the impact over the next twelve months.	Mandatory for financial years commencing on or after 1 January 2017. Expected date of adoption by the Council: 1 July 2017.
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## 1.5 Revenue

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

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

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

### 1.5 Revenue (Continued)

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

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

### 1.6 Government grants

Government grants are not recognised until there is reasonable assurance that the Branch will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Branch recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Branch should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Branch with no future related costs are recognised in profit or loss in the period in which they become receivable.

### 1.7 Gains

#### *Sale of assets*

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

### 1.8 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.

### 1.9 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

### 1.9 Employee benefits (Continued)

nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

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

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

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

### 1.10 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

### 1.11 Borrowing costs

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

### 1.12 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 consolidated statement of financial position.

### 1.13 Financial instruments

Financial assets and financial liabilities are recognised when The Branch entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

### 1.14 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Branch manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Branch documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the

## 1.14 Financial assets (Continued)

financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

### Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the Branch has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

### Available-for-sale

Listed shares and listed redeemable notes held by the Branch that are traded in an active market are classified as available-for-sale and are stated at fair value. The Branch also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Branch right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

### Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

## 1.14 Financial assets (Continued)

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

### Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Branch past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income



## 1.14 Financial assets (Continued)

and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

### Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the assets's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

## 1.15 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

### Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Branch manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Branch documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

## 1.15 Financial Liabilities (Continued)

### Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

### Derecognition of financial liabilities

The Branch derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 1.16 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.

## 1.17 Land, Buildings, Plant and Equipment

### Asset Recognition Threshold

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

### Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

## 1.17 Land, Buildings, Plant and Equipment (Continued)

### 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>2015</b>	<b>2014</b>
Land & buildings	<b>20 years</b>	20 years
Plant and equipment	<b>2.5 to 6 years</b>	2.5 to 6 years

### Derecognition

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

## 1.18 Impairment for non-financial assets

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

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

## 1.19 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

## 1.20 Taxation

The 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).

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 cash flow statement 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.

## 1.21 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 16A.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

## 1.21 Fair value measurement (Continued)

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period. External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

## 1.22 Going concern

The Branch has not received and is not reliant on financial support from any other entity to continue on a going concern basis. The Branch has not provided financial support to another entity.

### Note 2 Events after the reporting period

There were no events that occurred after 31 December 2015, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

	2015	2014
	\$	\$
<b>Note 3 Income</b>		
Note 3A: Capitation fees	-	-
<b>Total capitation fees</b>	-	-
<b>Note 3B: Levies</b>		
<b>Total levies</b>	-	-

2015	2014
\$	\$

### Note 3C: Interest

Deposits	25,815	28,453
Loans	-	-
<b>Total interest</b>	<b>-</b>	<b>-</b>

### Note 3D: Grants or donations

Grants	-	-
Donations	-	1,016
<b>Total grants or donations</b>	<b>-</b>	<b>-</b>

### Note 4 Expenses

#### Note 4A: Employee expenses

##### Holders of office:

Wages and salaries	255,389	198,326
Superannuation	24,262	23,261
Leave and other entitlements	16,769	144,724
Separation and redundancies	-	89,630
Other employee expenses	29,009	-
<b>Subtotal employee expenses holders of office</b>	<b>325,429</b>	<b>455,941</b>

##### Employees other than office holders:

Wages and salaries	236,374	193,552
Superannuation	22,437	24,485
Leave and other entitlements	11,230	78,391
Separation and redundancies	11,997	-
Other employee expenses	-	-
<b>Subtotal employee expenses employees other than office holders</b>	<b>282,038</b>	<b>296,428</b>
<b>Total employee expenses</b>	<b>607,467</b>	<b>752,369</b>

#### Note 4B: Capitation fees

Australian Education Union-Federal Office	65,677	63,382
<b>Total capitation fees</b>	<b>65,677</b>	<b>63,382</b>

	2015	2014
	\$	\$
<b>Note 4C: Affiliation fees</b>		
NT Trades and Labour Council	10,386	10,587
AAWL	200	500
<b>Total affiliation fees/subscriptions</b>	<b>10,586</b>	<b>11,087</b>

**Note 4D: Administration expenses**

Consideration to employers for payroll deductions	-	-
Compulsory levies (AUSED TAFE/publication levy, ACTU campaign levy)	7,994	4,008
Fees/allowances - meeting and conferences	4,542	5,185
Conference and meeting expenses	-	-
Contractors/consultants	82,432	99,619
Property expenses	33,285	40,060
Hire, plant and equipment	15,829	13,124
Fuel, light and power	10,232	11,111
Office expenses	5,409	6,753
Committee expenses	31,964	39,026
Information communications technology	20,118	17,287
Insurance	63,309	67,653
AEU expenses	17,618	20,648
Motor vehicle expenses	22,024	19,052
Travel and accommodation	7,996	11,769
Staff training expense	34,250	60,471
Specific project expenses (EBA, GONSKI, etc.)	6,159	1,181
	18,685	33,230
<b>Subtotal administration expense</b>	<b>381,846</b>	<b>450,177</b>
Operating lease rentals:		
Minimum lease payments	8,439	7,564
<b>Total administration expenses</b>	<b>390,285</b>	<b>457,741</b>

**Note 4E: Grants or donations**

Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	980	180
Total paid that exceeded \$1,000	-	15,000
<b>Total grants or donations</b>	<b>980</b>	<b>15,180</b>

2015	2014
\$	\$

**Note 4F: Depreciation and amortisation**

Depreciation		
Land & buildings	-	-
Property, plant and equipment	23,481	11,897
<b>Total depreciation</b>	<b>23,481</b>	<b>11,897</b>
Amortisation		
Intangibles	-	-
<b>Total amortisation</b>	<b>-</b>	<b>-</b>
<b>Total depreciation and amortisation</b>	<b>23,481</b>	<b>11,897</b>

**Note 4G: Finance costs**

Interest on finance lease	5,765	1,917
Bank charges/credit card merchant fee	6,808	7,031
<b>Total finance costs</b>	<b>12,573</b>	<b>8,948</b>

**Note 4H: Legal costs**

Litigation	-	-
Other legal matters	28,276	36,988
<b>Total legal costs</b>	<b>28,276</b>	<b>36,988</b>

**Note 4I: Other expenses**

Penalties - via RO Act or RO Regulations	-	-
Payroll tax	30,754	45,426
<b>Total other expenses</b>	<b>30,754</b>	<b>45,426</b>

**Note 5 Current Assets**

**Note 5A: Cash and Cash Equivalents**

Cash on hand	223	486
Cash at bank	232,986	301,632
Short term deposits	500,000	500,000
Other	-	-
<b>Total cash and cash equivalents</b>	<b>733,209</b>	<b>802,118</b>



2015	2014
\$	\$

#### Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]		
Total receivables from other reporting unit[s]	-	-
Less provision for doubtful debts	-	-
Total provision for doubtful debts	-	-
Receivable from other reporting unit[s] (net)	-	-

#### Note 5C: Other Current Assets

Accrued interest	4,369	-
Total other current assets	4,369	-

#### Note 6 Non-current Assets

##### Note 6A: Land and buildings

Land and buildings:		
fair value	320,389	320,389
accumulated depreciation	-	-
Total land and buildings	320,389	320,389

#### Reconciliation of the Opening and Closing Balances of Land and Buildings

<b>As at 1 January</b>		
Gross book value	320,389	320,389
Accumulated depreciation and impairment	-	-
<b>Net book value 1 January</b>	<b>320,389</b>	<b>320,389</b>
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	-	-
Impairments	-	-
Depreciation expense	-	-
Other movement [give details below]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
<b>Net book value 31 December</b>	<b>320,389</b>	<b>320,389</b>
<b>Net book value as of 1 January represented by:</b>		
Gross book value	320,389	320,389
Accumulated depreciation and impairment	-	-
<b>Net book value 30 June</b>	<b>320,389</b>	<b>320,389</b>

**Note 6 Non-current Assets (Continued)****Note 6A: Land and buildings**

2015	2014
\$	\$

If land and buildings were measured using the cost model, the carrying amounts would be as follows:

Management determined that the revalued land and buildings consist of one class of asset under AASB 13, based on the nature, characteristics and risks of the property.

**Note 6B: Plant and equipment**

Plant and equipment:

at cost	275,721	270,330
accumulated depreciation	(193,944)	(170,463)
<b>Total plant and equipment</b>	<b>81,777</b>	<b>99,867</b>

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

<b>As at 1 January</b>		
Gross book value	270,330	242,621
Accumulated depreciation and impairment	(170,463)	(174,948)
<b>Net book value 1 January</b>	<b>99,867</b>	<b>67,673</b>
Additions:		
By purchase	5,391	50,675
Impairments	-	-
Depreciation expense	(23,481)	(11,897)
Other movement [give details below]	-	-
Disposals:		(6,584)
<b>Net book value 31 December</b>	<b>81,777</b>	<b>99,867</b>
<b>Net book value as of 31 December represented by:</b>		
Gross book value	275,721	270,330
Accumulated depreciation and impairment	(193,944)	(170,463)
<b>Net book value 31 December</b>	<b>81,777</b>	<b>99,867</b>

**Note 6C: Other Investments**

Deposits	-	-
Investment in shares	10	10
<b>Total other investments</b>	<b>10</b>	<b>10</b>

2015	2014
\$	\$

## Note 7 Current Liabilities

### Note 7A: Trade payables

Trade creditors and accruals	23,995	32,487
<b>Subtotal trade creditors</b>	<b>23,995</b>	<b>32,487</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>23,995</b>	<b>32,487</b>

Settlement is usually made within 30 days.

### Note 7B: Other payables

Wages and salaries	17,884	13,263
Superannuation	11,694	10,837
Consideration to employers for payroll deductions	-	-
Legal costs	-	-
GST payable	27,496	21,577
Other	4,935	(14,277)
<b>Total other payables</b>	<b>62,009</b>	<b>31,400</b>

Total other payables are expected to be settled in:

No more than 12 months	62,009	31,400
More than 12 months	-	-
<b>Total other payables</b>	<b>62,009</b>	<b>31,400</b>

### Note 7C: Finance lease liability

Current portion of finance lease	9,355	8,742
<b>Total current portion of finance lease</b>	<b>9,355</b>	<b>8,742</b>

2015	2014
\$	\$

**Note 8 Provisions**

**Note 8A: Employee Provisions**

**Office Holders:**

Annual leave	23,347	6,578
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

***Subtotal employee provisions—office holders***

23,347	6,578
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**Employees other than office holders:**

Annual leave	27,888	26,879
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-

***Subtotal employee provisions—employees other than office holders***

27,888	26,879
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**Total employee provisions**

51,235	33,457
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Current

-	-
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Non-Current

-	-
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***Total employee provisions***

-	-
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**Note 9 Non-current liabilities**

**Note 9A: Finance lease liability**

Non-current portion of finance lease

35,879	42,900
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**Total other non-current liabilities**

35,879	42,900
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	2015 \$	2014 \$
<b>Note 10 Cash Flow</b>		
<b>Note 10A: Cash Flow Reconciliation</b>		
<b>Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:</b>		
<b>Cash and cash equivalents as per:</b>		
Cash flow statement	733,209	802,118
Balance sheet	733,209	802,118
<b>Difference</b>	-	-
<b>Reconciliation of profit/(deficit) to net cash from operating activities:</b>		
Profit/(deficit) for the year	(116,117)	(258,470)
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	23,481	11,897
Loss on disposal of property, plant and equipment	-	6,584
Fair value movements in investment property	-	-
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	(4,369)	515
(Increase)/decrease in prepayments	-	-
Increase/(decrease) in supplier payables	(8,491)	(32,601)
Increase/(decrease) in other payables	30,607	-
Increase/(decrease) in employee provisions	17,779	(37,463)
Increase/(decrease) in loan payable	(6,408)	51,642
Increase/(decrease) in other provisions	-	-
<b>Net cash from (used by) operating activities</b>	<b>(63,518)</b>	<b>(257,896)</b>
<b>Note 10B: Cash flow information</b>		
<b>Cash inflows</b>		
Cash inflows	-	-
Other reporting units	-	-
<b>Total cash inflows</b>	<b>-</b>	<b>-</b>
<b>Cash outflows</b>		
Cash outflows	-	-
Other reporting units	-	-
<b>Total cash outflows</b>	<b>-</b>	<b>-</b>

2015	2014
\$	\$

## **Note 11 Contingent Liabilities, Assets and Commitments**

### **Note 11A: Commitments and Contingencies**

#### **Operating lease commitments—as lessee**

- -

The Branch is not entered into any non-cancellable operating lease commitments as at 31 December 2015. (31 December 2014 \$Nil)

#### **Capital commitments**

At 31 December 2015 the Branch has no capital commitments. (31 December 2014 \$Nil)

#### **Finance lease commitments—as lessee**

Within one year	<b>12,748</b>	12,748
After one year but not more than five years	<b>41,511</b>	44,659
More than five years	-	-
<b>Total minimum lease payments</b>	<b>54,259</b>	57,407
Less amounts representing finance charges	<b>(9,025)</b>	(5,765)
<b>Present value of minimum lease payments</b>	<b>45,234</b>	51,642

Included in the financial statements as:

Finance lease payable-current portion	<b>9,355</b>	8,742
Finance lease payable-non-current portion	<b>35,879</b>	42,900
<b>Total finance lease payable</b>	<b>45,234</b>	51,642

2015	2014
\$	\$

## Note 12 Related Party Disclosures

### Note 12A: Related Party Transactions for the Reporting Period

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

#### Expenses paid to Matthew Cranitch includes the following:

Donations	-	15,000
Other consideration		10,000
<b>Total</b>	<b>-</b>	<b>25,000</b>

During financial year 2014, the above payments were made which were part of the termination benefits paid to former office holders. The motor vehicle with a book value of \$16,584 was transferred to Matthew Cranitch, former Branch president for nil consideration in lieu of other employment termination benefits, the amount represents the market price of such asset on transaction date.

During financial year 2014, the donation of \$15,000 was paid to Matthew Cranitch, former Branch President, to support his candidacy in the Legislative Assembly by election for the seat of Blain.

### Note 12B: Key Management Personnel Remuneration for the Reporting Period

#### Short-term employee benefits

Salary (including annual leave taken)	255,389	198,326
Annual leave accrued	16,769	144,724
Superannuation	24,262	23,261
<b>Total short-term employee benefits</b>	<b>296,420</b>	<b>366,311</b>

#### Post-employment benefits:

Superannuation	-	-
<b>Total post-employment benefits</b>	<b>-</b>	<b>-</b>

#### Other long-term benefits:

Long-service leave	-	-
<b>Total other long-term benefits</b>	<b>-</b>	<b>-</b>

Termination benefits	-	89,630
<b>Total</b>	<b>-</b>	<b>89,630</b>

### Note 12C: Transactions with key management personnel and their close family members

There were no other related party transactions during the year 2015 (2014: Nil)

2015	2014
\$	\$

## Note 13 Remuneration of Auditors

### Value of the services provided

Financial statement audit services	8,420	7,380
Other services	-	1,860
<b>Total remuneration of auditors</b>	<b>8,420</b>	<b>9,240</b>

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

## Note 14 Financial Instruments

### Note 14A: Categories of Financial Instruments

#### Financial Assets

Available-for-sale assets:

Investment in shares	10	10
<b>Total</b>	<b>10</b>	<b>10</b>

Loans and receivables:

Cash and Bank	733,209	802,118
Accrued interest	4,369	-
<b>Total</b>	<b>737,578</b>	<b>802,118</b>

**Carrying amount of financial assets**

<b>737,588</b>	<b>802,128</b>
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#### Financial Liabilities

Fair value through profit or loss:

	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

Other financial liabilities:

Accounts payable and other payables	86,004	63,889
Finance lease payable	45,234	51,642
<b>Total</b>	<b>131,238</b>	<b>115,531</b>

**Carrying amount of financial liabilities**

<b>131,238</b>	<b>115,531</b>
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2015	2014
\$	\$

## Note 14 Financial Instruments (Continued)

### Note 14B: Net Income and Expense from Financial Assets

#### Loans and receivables

Interest revenue	25,815	28,453
Exchange gains/(loss)	-	-
Impairment	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) from loans and receivables</b>	<b>25,815</b>	<b>28,453</b>
<b>Net gain/(loss) from financial assets</b>	<b>25,815</b>	<b>28,453</b>

### Note 14C: Net Income and Expense from Financial Liabilities

#### At amortised cost

Interest expense	5,765	1,917
Exchange gains/(loss)	-	-
Gain/loss on disposal	-	-
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	<b>-</b>	<b>-</b>
<b>Net gain/(loss) from financial liabilities</b>	<b>5,765</b>	<b>1,917</b>

### Note 14D: Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the registered organisation. The registered organisation does not have any material risk exposures as its major source of revenue is the receipt of membership fees. As at 31 December 2015 there were no outstanding trade receivables (2014: Nil).

### Note 14E: Liquidity Risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The Branch manages this risk through the following mechanisms:

- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- investing surplus cash with major financial institutions

## Note 14 Financial Instruments (Continued)

### Note 14E: Liquidity Risk (Continued)

#### Contractual maturities for financial liabilities 2015

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & other payables	-	86,004	-	-	-	86,004
Finance lease payables	-	12,748	12,748	28,763	-	54,259
<b>Total</b>	-	<b>98,752</b>	<b>12,748</b>	<b>28,763</b>	-	<b>140,263</b>

#### Contractual maturities for financial liabilities 2014

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade & other payables		63,887	-	-	-	63,887
Finance lease payables	-	12,748	12,748	31,911	-	57,407
<b>Total</b>	-	<b>76,635</b>	<b>12,748</b>	<b>31,911</b>	-	<b>121,294</b>

### Note 14F: Market Risk

#### *Interest rate risk*

The Branch does not account for any fixed rate financial assets and financial liabilities at fair value through profit and loss. Therefore, a change in interest rates at the reporting date would not affect profit or loss:

<b>Fixed rate instruments</b>	<b>2015</b>	<b>2014</b>
Financial assets	500,000	500,000
Financial liabilities	45,234	51,642

#### *Price risk*

The Branch is not exposed to price risk.

#### *Currency risk*

The Branch is not exposed to currency risk.

2015	2014
\$	\$

## Note 14 Financial Instruments (Continued)

### Note 14G: Asset Pledged as Collateral

#### Assets pledged as collateral

#### Financial assets pledged as collateral:

Motor vehicle	45,234	51,642
<b>Total assets pledged as collateral</b>	<b>45,234</b>	<b>51,642</b>

### Note 15 Fair Value Measurement

#### Note 15A: Financial Assets and Liabilities

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

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

- Fair values of the Branch'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 2015 was assessed to be insignificant.
- Amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

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

	Carrying amount 2015 \$	Carrying amount 2014 \$
<b>Financial Assets</b>		
Cash and Bank	733,209	802,118
Other current assets	4,369	-
Available for sale asset	10	10
<b>Total</b>	<b>737,588</b>	<b>802,128</b>
<b>Financial Liabilities</b>		
Trade and other payables	86,004	63,887
Finance lease liability	45,234	51,642
<b>Total</b>	<b>131,238</b>	<b>115,529</b>

Note: The fair value of financial assets and financial liabilities is not materially different than their carrying value.

## Note 15 Fair Value Measurement (continued)

### Note 15B: 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 2015

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>		\$	\$	\$
Land and building	2011	-	320,000	-
Investment in shares	2014	-	10	-
<b>Total</b>			<b>320,010</b>	
<b>Liabilities measured at fair value</b>				
Nil		-	-	-
<b>Total</b>		-	-	-

#### Fair value hierarchy –31 December 2014

	Date of valuation	Level 1	Level 2	Level 3
<b>Assets measured at fair value</b>		\$	\$	\$
Land and building	2011	-	320,000	-
Investment in shares	2014	-	10	-
<b>Total</b>		-	<b>320,010</b>	-
<b>Liabilities measured at fair value</b>				
Nil		-	-	-
<b>Total</b>		-	-	-

#### **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 General Manager:

- (1) A member of the Branch, or the General Manager, may apply to the Branch for specified prescribed information in relation to the Branch to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the Branch.
- (3) The Branch must comply with an application made under subsection (1).