AEU Northern Territory

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

ABN 64 406 978 451

FINANCIAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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FINANCIAL REPORT

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FINANCIAL REPORT

Nexia
Edwards Marshall NT

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NT BRANCH OF THE AUSTRALIAN EDUCATION UNION

Opinion

I have audited the accompanying financial report, being a general purpose financial statements, of NT Branch of the Australian Education Union ("the Branch"), which comprises the statement of financial position as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory notes, and the committee of management statement.

In my opinion the financial report presents fairly, in all material respects, the financial position of the NT Branch of the Australian Education Union as at 31 December 2017 and of its performance and cash flows for the year then ended in accordance with:

i. Australian Accounting Standards; and
ii. Any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work Act (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 NT Branch of the Australian Education Union is appropriate.

Basis for Opinion

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

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

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

The 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 we do not express any form of assurance conclusion thereon.

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

Committee of Management's Responsibility for the Financial Report

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

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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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 statements, 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 Branch's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management

- Conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If 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 statements 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 Branch to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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 a Registered Company Auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

Nexia Edwards Marshall NT

Nexia Edwards Marshall NT
Chartered Accountants

Noel Clifford
Partner

Darwin

Dated this 9 day of April 2018

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NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
DESIGNATED OFFICER'S CERTIFICATE
FOR THE YEAR ENDED 31 DECEMBER 2017

I, Adam Lampe, being the Secretary 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 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 .... 2018; and

- that the full report was presented to a meeting of the committee of management of the reporting unit on ....in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009.*

Signature of prescribed designated officer:..

Adam Lampe, Branch Secretary

Dated: ....

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
OPERATING REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

Your Committee members present their report on the Branch for the financial year ended 31 December 2017.

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
Adam Lampe	Branch Secretary (previously Regional Councillor and Treasurer)
Anita Jonsberg	Branch Secretary (resigned 10/3/17)
Stephen Pelizzo	Vice-President (General)
Delean Holtze	Vice-President (TAFE) (previously Regional Councillor)
Julie Danvers	Treasurer (commenced 3/11/17)
Rachel Webb	Women's Officer (16/1/17 – 22/3/17)
Alyson Kavanagh	Women's Officer (commenced 3/11/17)
Cassandra Brown	Councillor representing Indigenous members
Grace Tongatua	Regional Councillor
Bernie Gleeson	Regional Councillor
Paula Thornton	Regional Councillor
Ken Guest	Regional Councillor
Robert Skidmore	Regional Councillor
Bruce Cameron	Regional Councillor
Barry George	Regional Councillor
Sheryl Fotakis	Regional Councillor
Glynis Hester	Regional Councillor
Linda Hyland	Regional Councillor (commenced 9/3/17)
Rebecca Campbell	Regional Councillor (resigned 2/2/17)

The members served for the entire year except where otherwise specified.

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 core day-to-day activity of the Branch office continued to be providing support to members with individual issues relating to their employment. During 2017 the Branch office recorded 267 (down from more than 300) cases where officers and staff of the union provided assistance to members, of which about 40% comprised issues relating to pay and conditions, with the remainder related to disciplinary matters, workload, workers' compensation claims, grievances, bullying and harassment, work health and safety, performance management and staff selection procedures. We believe a decline in the number of cases handled in 2017 is at least partially attributable to more matters being resolved at the local level through greater emphasis on training and supporting sub-branch representatives to address problems in the workplace.

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
OPERATING REPORT (CONT.)
FOR THE YEAR ENDED 31 DECEMBER 2017

The AEU NT continued to promote the professional interests of members with representation on the Teacher Registration Board 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. Senior officers met monthly with the NT Education Minister and Chief Executive of the Department of Education to raise concerns and work on developing policies and actions to improve conditions for members as well as the state of public education.

After several years of membership decline, the Branch leadership agreed that there was a need for a renewed push to improve membership numbers. Accordingly, a Membership and Recruitment Project was created which saw two staff employed with a focus on increasing the union's membership and building a stronger union structure at the sub-branch (workplace) and regional level through visits to workplaces and training of delegates.

Additionally, the Branch adopted a number of priority areas to focus on in 2017. The following five priority areas were unanimously endorsed by the Branch Executive and annual Branch Conference:

- Reducing workloads
- Enterprise bargaining
- Securing needs-based school funding
- Increasing secure employment
- Promoting safety, security and wellbeing at work

The focus area of reducing workloads was in line with concerns raised by the teaching profession across Australia; namely that workloads were continuing to grow with no sign of abating. A member survey revealed that 56% of members worked more than 50 hours per week during term time. Accordingly, the union adopted numerous resolutions at the annual Branch Conference relating to matters such as class sizes and face-to-face teaching time. These became central to the union's enterprise bargaining log of claims for teachers and assistant teachers.

A major focus of union activity was undertaking enterprise bargaining for the four main groups of employees we represent: Department of Education teachers and assistant teachers, DoE support staff, vocational lecturers at Charles Darwin university and lecturers and tutors at the Batchelor Institute. In all areas, union officers consulted extensively with members to develop a formal set of claims. A survey of teacher members received approximately 800 responses, more than half of our eligible membership at the time.

Our focus on securing needs-based funding involved placing pressure on both the Federal and Northern Territory governments. In the case of the Territory Government, the union sought additional resourcing for schools as well as greater equity and transparency in how those resources were allocated. The NT Government commissioned an external review of its funding model, which was undertaken by Ernst and Young. The AEU was a stakeholder in this process and senior officers took part in a consultation to articulate our concerns.

The Federal Government contributes a significant proportion of the NT's education budget, and the NT's most remote schools are especially reliant on this funding. The Turnbull Government proposed changes to the Gonski formula that would see its contribution to NT public schools fall significantly over the next time, and the NT Branch in collaboration with other branches and the federal AEU resisted those changes vigorously.

The problem of insecure employment for school-based staff has been a perennial one since 2014. The proportion of teachers employed on short-term contracts remained at approximately two in five. In one region it was more than half. The union continued our campaign to remedy this state of affairs, which contributes to high turnover, low morale and poor results for schools and students.

The safety of our members remained a critical issue, with data collected by the Department as well as our own incident reporting showing that verbal and physical assaults and threats against teaching staff by students remained unacceptably high, and furthermore that there were very few consistent policies and procedures in place to address this problem. The union placed pressure on the Department to improve its practices in this area.

Results of activities

2017 was an overwhelmingly successful year for our Branch, with AEU membership growing rapidly and the union consequently being able to advocate much more forcefully on behalf of our members.

The Project Officer program was an unqualified success, with 510 new members recruited for the year. Net membership growth in 2017 was 28.9%. More than half of the total was from workplace visits. The Project Officers visited 114 workplaces in total, many more than once.

Recruitment Source	Number of recruits	Proportion of total
Induction	100	20%
Joined due to current issue	16	3%
Online application	81	16%
Referral	46	9%
Sub-Branch Visit	263	52%
Other	4	1%
TOTAL	**510**	**100%**

The investment in additional staff more than paid for itself, as the union's membership income surged by 15% and we recorded our first (admittedly modest) surplus since 2012. This puts the union on a strong financial footing for the future and has also underscored the importance of making recruitment through workplace visits and organising an ongoing core focus of our work.

An important part of the success of the Project Officers' work was identifying areas where our membership numbers were low and a tailored approach could engage certain groups of employees. For example, a renewed focus on recruiting Indigenous support staff coupled with Executive approval for a reduced membership rate for Assistant Teachers saw our membership among Aboriginal and Torres Strait Islander members increase by 49%, from 111 to 165.

The renewed focus on recruitment and organising, coupled with clear objectives of fighting to secure improvements, led to much a stronger presence of the AEU at the workplace level. Sub-branch representatives were identified in 76% of workplaces, meaning the union has a voice in more places and a means of communicating more effectively with members.

One indicator of the stronger level of sub-branch organisation was the success of our annual Branch Conference held in Alice Springs over the May Day weekend. The Conference was the largest in the Branch's history, with 92 registered Delegates and members of Executive in attendance, considering more than 100 items put forward for discussion by Executive and sub-branches.

Workload remains an area of great concern, with numerous claims to address the problem being negotiated through enterprise bargaining, which for teachers and TAFE members has continued into 2018. An important win on this front was the Labor Government carrying through its commitment to increase recurrent funding to schools by $20m, leading to the first growth in teacher numbers since 2012. The DoE workforce grew by 145 FTE, an increase of about 4%. The great bulk of these positions (137) were school-based employees. This increase is welcome, however it falls short of the 165 teaching positions the Labor Party said the restoration of the $20m would fund.

We gleaned much valuable data from our member survey which has been used to advance our claims in enterprise bargaining. The survey showed overwhelming member support for our claims in relation to permanency, better conditions and more consultation.

All unions representing employees in the NT Public Sector agreed to work closely together in bargaining to secure the best outcomes for members. This led to some important gains in the NTPS General Agreement, which was endorsed by employees in December. Members secured 2.5% p.a. salary and allowance increases, and improvements on matters such as consultation and union rights. These are expected to flow through to teacher bargaining. In both negotiations we have sought to future proof as many conditions as possible against attack by future governments, by having them codified in enterprise agreements. This is especially important for our remote members; whose employment consists of numerous allowances and additional leave provisions. We are confident many of these will be secured.

In the realm of needs-based funding, despite a vigorous campaign by the AEU across the country, the Federal Government was successful in passing legislation misleadingly referred to as Gonski 2.0. The new arrangements lock in preferential treatment of non-government schools and impose an arbitrary funding level by the federal government of each school sector, irrespective of need. For the public system the Federal Government has agreed to fund just 20% of the Schooling Resourcing Standard over the next decade, with state and territory governments expected to fund at least 75%. As the Territory currently relies on the Federal Government to fund 23% of the SRS, this new legislation locks in funding cuts over a 10-year period to the most disadvantaged schooling sector in the country. The AEU has resolved at a federal level to continue our campaign for fair school funding for as long as it takes, and this will continue to be a focus of our work up until the next federal election and likely beyond.

At Territory level, the review of the school funding model led to a number of recommendations being adopted by the Government. The AEU considers these to be modest improvements at best. There is some additional funding, such as in the area of special needs, but the recommendations amount to tinkering with the existing model. Some of them will assist schools in clearing deficits and being able to budget more effectively. Our basic critique of the Global School Budgets model remains: that it is a glorified accounting mechanism that leaves principals with too many financial responsibilities, at the expense of educational leadership. The union will monitor the reforms and continue to highlight deficiencies where they are identified.

In August we were pleased to achieve a breakthrough in the long impasse over job security for teachers. The Commissioner for Public Employment and the DoE Chief Executive agreed to implement a scheme that would allow teachers with 12 months of continuous service to permanent employment. The Permanency Project was intended to clear some of the large backlog of teachers who has been on contract for many years. Bureaucratic inertia meant that take up was slow; by the end of the year only 60 teachers had been converted. The scheme will operate again in 2018 and we will monitor its effectiveness. Securing better processes for monitoring excessive fixed-period employment remains the central claim for the union in teacher bargaining; we have signalled to the Government that no agreement will be reached without guarantees in this area.

In the field of work health and safety, continuing pressure from the AEU saw the Department develop a revised Safety Management Plan after union consultation, meaning there is progress on an official approach to managing issues such as occupational violence. The Department has agreed to continue to work with the union to improve practices in this area. In approximately half a dozen workplaces where WHS problems have been most pronounced, employees used provisions under the WHS Act to elect Health and Safety Representatives to take a more proactive approach to ensuring employee safety and wellbeing is prioritised.

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;

(d) 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) where the member ceases to be eligible to become a member of the Union -
(i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
(ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or

(b) in any other case -
(i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
(ii) on the day specified in the notice; whichever is later.

(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 affected 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 2017 was 1918 (the equivalent figure for 2016 was 1487).

The number of full-time equivalent employees of the Branch in 2017 was six, 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 profit of the Branch for the financial year after providing for income tax amounted to $6,053 (2016 loss: $33,195). This represents the first surplus for the Branch since 2012 and establishes a trend of improving our financial position in each of the past three years.

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:

A. Lampe 10.03.18

Adam Lampe – Branch Secretary Dated

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2017

On 10 March 2018 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 2017:

The Committee of Management declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;

(d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and

(e) during the financial year to which the GPFR relates and since the end of that year:

   (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and

   (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and

   (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and

   (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and

   (v) where information has been sought in any request by a member of the reporting unit or Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

   (vi) where any order for inspection of financial records has been made by the Registered Organisations 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 (the Branch Executive).

A. Lampe | 10.03.18

Adam Lampe – Branch Secretary | Dated

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2017

	Notes	2017 $	2016 $
Revenue			
Membership subscription		**1,192,062**	1,040,037
Capitation fees	3A	**-**	-
Levies	3B	**-**	-
Interest	3C	**9,293**	12,291
Other revenue		**2,069**	3,005
Total revenue		**1,203,424**	1,055,333
Other Income			
Grants and/or donations	3E	**-**	-
Total other income		**-**	-
Total income		**1,203,424**	1,055,333
Expenses			
Employee expenses	4A	**670,461**	545,200
Capitation fees	4B	**45,835**	55,547
Affiliation fees	4C	**9,386**	-
Administration expenses	4D	**377,389**	392,232
Grants or donations	4E	**1,023**	1,236
Depreciation and amortisation	4F	**31,928**	24,527
Finance costs	4G	**9,030**	10,206
Legal costs	4H	**5,490**	20,175
Audit fees	14	**9,200**	8,400
Other expenses	4K	**37,629**	31,005
Total expenses		**1,197,371**	1,088,528
Surplus (deficit) for the year		**6,053**	(33,195)
Other comprehensive income			
Gain on revaluation of land & buildings		**-**	259,611
Total comprehensive income for the year		**6,053**	226,416

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 2017

	Notes	2017 $	2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**722,459**	678,861
Trade and other receivables	5B	**4,100**	-
Other current assets	5C	**11,561**	7,427
Total current assets		**738,120**	686,288
Non-Current Assets			
Land and buildings	6A	**571,700**	580,000
Plant and equipment	6B	**46,640**	62,473
Other investments	6F	**10**	10
Total non-current assets		**618,350**	642,483
Total assets		**1,356,470**	1,328,771
LIABILITIES			
Current Liabilities			
Trade payables	7A	**14,917**	8,223
Other payables	7B	**78,963**	64,816
Employee provisions	8A	**46,972**	36,156
Finance lease-current portion	7C	**9,957**	10,012
Total current liabilities		**150,809**	119,207
Non-Current Liabilities			
Employee provisions	8A	**-**	-
Other non-current liabilities	9A	**15,911**	25,867
Total non-current liabilities		**15,911**	25,867
Total liabilities		**166,720**	145,074
Net assets		**1,189,750**	1,183,697
EQUITY			
General funds	10A	**-**	-
Retained earnings		**930,139**	924,086
Revaluation reserve	10A	**259,611**	259,611
Total equity		**1,189,750**	1,183,697

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 2017

	Notes	General funds $	Retained earnings $	Revaluation reserve	Total equity $
Balance as at 1 January 2016		-	957,281	-	957,281
Adjustment for errors		-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-
Surplus / (deficit)		-	(33,195)	-	(33,195)
Other comprehensive income		-	-	-	-
Gain on revaluation of land and buildings		-	-	259,611	259,611
Transfer to/from [*insert fund name*]	10A	-	-	-	-
Transfer from retained earnings		-	-	-	-
Closing balance as at 31 December 2016		**-**	**924,086**	**259,611**	**1,183,697**
Adjustment for errors		-	-	-	-
Adjustment for changes in accounting policies		-	-	-	-
Surplus / (deficit)		-	**6,053**	-	**6,053**
Other comprehensive income		-	-	-	-
Gain on revaluation of land and buildings		-	-	-	-
Transfer to/from [*insert fund name*]	10A	-	-	-	-
Transfer from retained earnings		-	-	-	-
Closing balance as at 31 December 2017		-	**930,139**	**259,611**	**1,189,750**

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
STATEMENT OF CASH FLOWS
for the year ended 31 December 2017

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units/controlled entity(s)	11B	-	-
Receipts		**1,190,031**	1,043,042
Interest		**9,293**	16,660
Other		-	-
Cash used			
Employees		**(661,818)**	(559,164)
Suppliers		**(473,366)**	(536,911)
Payment to other reporting units/controlled entity(s)	11B	-	-
Net cash from (used by) operating activities	11A	**64,140**	**(36,373)**
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		**(7,795)**	(5,223)
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		**(7,795)**	(5,223)
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		**(10,011)**	(9,355)
Interest paid		**(2,736)**	(3,397)
Net cash from (used by) financing activities		**(12,747)**	(12,752)
Net increase (decrease) in cash held		**43,598**	(54,348)
Cash & cash equivalents at the beginning of the reporting period		**678,861**	733,209
Cash & cash equivalents at the end of the reporting period	5A	**722,459**	678,861

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
RECOVERY OF WAGES ACTIVITY
for the year ended 31 December 2017

	2017 $	2016 $
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
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	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages		
Nil	-	-

Index to the Notes of the Financial Report

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 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.

The Committee makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Fair values of investment properties and owner-occupied property

The Branch measures land and buildings (owner-occupied) at fair value less any accumulated depreciation and accumulated impairment losses. The valuation of land and buildings requires judgement to be applied in selecting appropriate valuation techniques and setting valuation assumptions. The Branch engages independent registered valuer to value its property. Further detail on the determination of fair values of land and buildings is set out in note 16 B.

1.3 Significant accounting judgements and estimates (Continued)

Impairment losses on property and equipment

The Committee reviews its property and equipment to assess impairment, if there is an indication of impairment. In determining whether impairment losses should be reported in the statement of comprehensive income, the Committee makes judgments as to whether there is any observable data indicating that there is a reduction in the carrying value of property and equipment. Accordingly, an allowance for impairment is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the carrying value of property and equipment. At 31 December 2016, the Committee reviewed the key assumptions made by an independent valuer in their valuation. They have concluded that are satisfied that carrying value does not exceed the recoverable amount of land and buildings at 31 December 2017.

Useful life and residual value of property, plant and equipment

The Committee reviews the useful life and residual value of the property, plant and equipment at each reporting date to determine whether an adjustment to the useful life and residual value is required. The useful life and residual value is estimated based on the similar assets of the industry, and future economic benefit expectations of the management.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard requirements

- AASB 2015-3 (Amendments to Australian Accounting Standards arising from Withdrawal of AASB 1031 Materiality)
- AASB 2014- 4 (Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to AASB 116 and AASB 138)

No other 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:

Title of standard	Nature of change	Impact	Mandatory application date/ Date of adoption by Council
AASB 9 Financial Instruments	AASB 9 (December 2014) is a new standard which replaces AASB 139. This new version supersedes AASB 9 issued in December 2009 (as amended) and AASB 9 (issued in December 2010) and includes a model for classification and measurement, a single, forward-looking 'expected loss' impairment model and a substantially-reformed approach to hedge accounting. AASB 9 is effective for annual periods beginning on or after 1 January 2018. However, the Standard is available for early adoption. The own credit changes can be early adopted in isolation without otherwise changing the accounting for financial instruments. Classification and measurement AASB 9 includes requirements for a simpler approach	Management is currently assessing the impact of the new rules. The Branch is not able to estimate the impact of the new rules on the Branch financial statements. The Branch will make more detailed assessments of the impact over the next twelve months.	Must be applied for financial years commencing on or after 1 January 2018.

	for classification and measurement of financial assets compared with the requirements of AASB 139. There are also some changes made in relation to financial liabilities. The main changes are described below. Financial assets a. Financial assets that are debt instruments will be classified based on (1) the objective of the entity's business model for managing the financial assets; (2) the characteristics of the contractual cash flows. b. Allows an irrevocable election on initial recognition to present gains and losses on investments in equity instruments that are not held for trading in other comprehensive income. Dividends in respect of these investments that are a return on investment can be recognised in profit or loss and there is no impairment or recycling on disposal of the instrument. c. Financial assets can be designated and measured at fair value through profit or loss at initial recognition if doing so eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities, or recognising the gains and losses on them, on different bases. Financial liabilities Changes introduced by AASB 9 in respect of financial liabilities are limited to the measurement of		

	liabilities designated at fair value through profit or loss (FVPL) using the fair value option. Where the fair value option is used for financial liabilities, the change in fair value is to be accounted for as follows: ▶ The change attributable to changes in credit risk are presented in other comprehensive income (OCI) ▶ The remaining change is presented in profit or loss AASB 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains or losses attributable to changes in the entity's own credit risk would be recognised in OCI. These amounts recognised in OCI are not recycled to profit or loss if the liability is ever repurchased at a discount. Impairment The final version of AASB 9 introduces a new expected-loss impairment model that will require more timely recognition of expected credit losses. Specifically, the new Standard requires entities to account for expected credit losses from when financial instruments are first recognised and to recognise full lifetime expected losses on a more timely basis. Hedge accounting Amendments to AASB 9 (December 2009 & 2010		

	editions and AASB 2013-9) issued in December 2013 included the new hedge accounting requirements, including changes to hedge effectiveness testing, treatment of hedging costs, risk components that can be hedged and disclosures. Consequential amendments were also made to other standards as a result of AASB 9, introduced by AASB 2009-11 and superseded by AASB 2010-7, AASB 2010-10 and AASB 2014-1 – Part E. AASB 2014-7 incorporates the consequential amendments arising from the issuance of AASB 9 in Dec 2014. AASB 2014-8 limits the application of the existing versions of AASB 9 ((AASB 9 (December 2009) and AASB 9 (December 2010)) from 1 February 2015 and applies to annual reporting periods beginning on after 1 January 2015.		
AASB 15 Revenue from Contracts with Customers	AASB 15 Revenue from Contracts with Customers replaces the existing revenue recognition standards AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations (Interpretation 13 Customer Loyalty Programmes, Interpretation 15 Agreements for the Construction of Real Estate, Interpretation 18 Transfers of Assets from Customers, Interpretation 131	Management is currently assessing the impact of the new rules Branch is not able to estimate the impact of the new rules on the Branch financial statements. The Branch will make more detailed assessments of the impact over the next twelve months..	Must be applied for financial years commencing on or after 1 January 2018.

	Revenue—Barter Transactions Involving Advertising Services and Interpretation 1042 Subscriber Acquisition Costs in the Telecommunications Industry). AASB 15 incorporates the requirements of IFRS 15 Revenue from Contracts with Customers issued by the International Accounting Standards Board (IASB) and developed jointly with the US Financial Accounting Standards Board (FASB). AASB 15 specifies the accounting treatment for revenue arising from contracts with customers (except for contracts within the scope of other accounting standards such as leases or financial instruments).The core principle of AASB 15 is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity recognises revenue in accordance with that core principle by applying the following steps: (a) Step 1: Identify the contract(s) with a customer (b) Step 2: Identify the performance obligations in the contract (c) Step 3: Determine the transaction price (d) Step 4: Allocate the transaction price to the performance obligations in the contract (e) Step 5: Recognise revenue when (or as) the entity		

	satisfies a performance obligation AASB 2015-8 amended the AASB 15 effective date so it is now effective for annual reporting periods commencing on or after 1 January 2018. Early application is permitted. AASB 2014-5 incorporates the consequential amendments to a number Australian Accounting Standards (including Interpretations) arising from the issuance of AASB 15. AASB 2016-3 Amendments to Australian Accounting Standards – Clarifications to AASB 15 amends AASB 15 to clarify the requirements on identifying performance obligations, principal versus agent considerations and the timing of recognising revenue from granting a licence and provides further practical expedients on transition to AASB 15.		
AASB 16 Leases	The key features of AASB 16 are as follows: Lessee accounting • Lessees are required to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value.• Assets and liabilities arising from a lease are initially measured on a present value basis. The measurement includes non-cancellable lease payments (including inflation-linked payments), and also includes payments to be made in optional periods if the lessee is	Management is currently assessing the impact of the new rules Branch is not able to estimate the impact of the new rules on the Branch financial statements. The Branch will make more detailed assessments of the impact over the next twelve months.	Must be applied for financial years commencing on or after 1 January 2019.

	reasonably certain to exercise an option to extend the lease, or not to exercise an option to terminate the lease. • AASB 16 contains disclosure requirements for lessees. Lessor accounting • AASB 16 substantially carries forward the lessor accounting requirements in AASB 117. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. • AASB 16 also requires enhanced disclosures to be provided by lessors that will improve information disclosed about a lessor's risk exposure, particularly to residual value risk. AASB 16 supersedes: (a) AASB 117 Leases (b) Interpretation 4 Determining whether an Arrangement contains a Lease (c) SIC-15 Operating Leases—Incentives (d) SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted, provided the new revenue standard, AASB 15 Revenue from Contracts with Customers, has been applied, or is applied at the same date as AASB 16.		

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.

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 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.

1.8 Employee benefits (Continued)

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.

1.9 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.

1.10 Borrowing costs

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

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 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.

1.13 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 re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

1.13 Financial assets (Cont.)

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.

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 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 asset'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.

1.14 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 re-measurement 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.

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 Branch 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.

1.15 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 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.

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.

1.16 Land, Buildings, Plant and Equipment

Depreciation (Cont)

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

	2017	2016
Buildings	**50 years**	20 years
Plant and equipment	**2.5 to 6 years**	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.

1.17 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 Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.18 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.

1.19 Taxation

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).

1.19 Taxation (Cont.)

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.

1.20 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.

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

1.20 Fair value measurement (Cont.)

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.

1.21 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. The Branch future operations are dependent upon the continued support of its members and the achievement of operating surpluses and positive operating cash flows. At this date of this report Branch has no reason to believe that members support will not be received in the foreseeable future.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of NT Branch of the Australian Education Union.

	2017	2016
	$	$
Note 3 Income		
Note 3A: Capitation fees		
Capitation fees	-	-
Total capitation fees	-	-
Note 3B: Levies		
Levies	-	-
Total levies	-	-
Note 3C: Interest		
Deposits	9,293	12,291
Loans	-	-
Total interest	9,293	12,291
Note 3D: Rental revenue		
Properties	-	-
Other	-	-
Total rental revenue	-	-
Note 3E: Grants or donations		
Grants	-	-
Donations	-	-
Total grants or donations	-	-

	2017 $	2016 $

Note 4 Expenses

Note 4A: Employee expenses

	2017 $	2016 $
Holders of office:		
Wages and salaries	**217,751**	254,401
Superannuation	**20,461**	24,573
Leave and other entitlements	**1,539**	(7,540)
Separation and redundancies	**-**	-
Other employee expenses	**-**	14,305
Subtotal employee expenses holders of office	**239,751**	285,739
Employees other than office holders:		
Wages and salaries	**392,548**	226,584
Superannuation	**36,623**	20,385
Leave and other entitlements	**1,539**	(7,540)
Separation and redundancies	**-**	20,032
Other employee expenses	**-**	-
Subtotal employee expenses employees other than office holders	**430,710**	259,461
Total employee expenses	**670,461**	545,200

Note 4B: Capitation fees

	2017 $	2016 $
Australian Education Union- Federal Office	**45,835**	55,547
Total capitation fees	**45,835**	55,547

Note 4C: Affiliation fees

	2017 $	2016 $
NT Trades and Labour Council	**9,386**	-
Total affiliation fees/subscriptions	**9,386**	-

	2017	2016
	$	$

Note 4D: Administration expenses

	2017 $	2016 $
Consideration to employers for payroll deductions	**-**	-
Compulsory levies (AUSEDTAFE/publication levy,	**5,255**	6,561
ACTU campaign levy)	**-**	5,312
Fees/allowances - meeting and conferences	**-**	-
Conference and meeting expenses	**127,920**	80,014
Committee expenses	**41,886**	17,017
Contractors/consultants	**18,278**	30,794
Property expenses	**6,712**	15,966
Office expenses	**39,848**	51,114
Information communications technology	**38,081**	57,290
Specific project expenses (EBA, GONSKI, etc.)	**8,674**	17,307
Travel and accommodation	**34,495**	34,067
Other	**56,240**	72,772
Subtotal administration expense	**377,389**	388,214
Operating lease rentals:		
Minimum lease payments	**-**	4,018
Total administration expenses	**377,389**	392,232

Note 4E: Grants or donations

	2017 $	2016 $
Grants:		
Total paid that were $1,000 or less	**-**	-
Total paid that exceeded $1,000	**-**	-
Donations:		
Total paid that were $1,000 or less	**1,023**	1,236
Total paid that exceeded $1,000	**-**	-
Total grants or donations	**1,023**	1,236

Note 4F: Depreciation and amortisation

	2017 $	2016 $
Depreciation		
Land & buildings	**8,300**	-
Property, plant and equipment	**23,628**	24,527
Total depreciation	**31,928**	24,527
Amortisation		
Intangibles	**-**	-
Total amortisation	**-**	-
Total depreciation and amortisation	**31,928**	24,527

	2017	2016
	$	$

Note 4G: Finance costs

Interest on Finance leases	**2,736**	3,397
Bank charges/credit card merchant fee	**6,294**	6,809
Unwinding of discount	-	-
Total finance costs	**9,030**	10,206

Note 4H: Legal costs

Litigation	-	11,477
Other legal matters	**5,490**	8,698
Total legal costs	**5,490**	20,175

Note 4I: Write-down and impairment of assets

Asset write-downs and impairments of:		
Land and buildings	-	-
Plant and equipment	-	-
Intangible assets	-	-
Other	-	-
Total write-down and impairment of assets	-	-

Note 4J: Net losses from sale of assets

Land and buildings	-	-
Plant and equipment	-	-
Intangibles	-	-
Total net losses from asset sales	-	-

Note 4K: Other expenses

Penalties - via RO Act or RO Regulations	-	-
Payroll Tax	**37,629**	31,005
Total other expenses	**37,629**	31,005

	2017	2016
	$	$

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	722,065	328,830
Cash on hand	394	31
Short term deposits	-	350,000
Total cash and cash equivalents	**722,459**	678,861

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)	-	-
Other receivables:	-	-
GST receivable	-	-
Other trade receivables	4,100	-
Total other receivables	**4,100**	-
Total trade and other receivables (net)	**4,100**	-

Note 5C: Other Current Assets

Accrued Interest	-	-
Prepayment	11,561	7,427
Total other current assets	**11,561**	7,427

	2017	2016
	$	$

Note 6 Non-current Assets

Note 6A: Land and buildings

	2017	2016
Land and buildings:		
fair value	**580,000**	580,000
accumulated depreciation	**(8,300)**	-
Total land and buildings	**571,700**	580,000

Reconciliation of Opening and Closing Balances of Land and Buildings

	2017	2016
As at 1 January		
Gross book value	**580,000**	320,389
Accumulated depreciation and impairment	-	-
Net book value 1 January	**580,000**	320,389
Additions:		
By purchase	-	-
From acquisition of entities (including restructuring)	-	-
Revaluations	-	259,611
Impairments	-	-
Depreciation expense	**(8,300)**	-
Other movement [*give details below*]	-	-
Disposals:		
From disposal of entities (including restructuring)	-	-
Other	-	-
Net book value 31 December	**571,700**	580,000
Net book value as of 31 December represented by:		
Gross book value	**580,000**	580,000
Accumulated depreciation and impairment	**(8,300)**	-
Net book value 31 December	**571,700**	580,000

[*Fair value disclosures required for land and buildings remeasured to fair value*]

The revalued land and buildings consists of land valued at $165,000 and building valued at $415,000. 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. Also, refer note 16 b.

	2017 $	2016 $
Note 6B: Plant and equipment		
Plant and equipment:		
at cost	**288,739**	280,944
accumulated depreciation	**(242,099)**	(218,471)
Total plant and equipment	**46,640**	62,473

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 January		
Gross book value	**280,944**	275,721
Accumulated depreciation and impairment	**(218,471)**	(193,944)
Net book value 1 January	**62,473**	81,777
Additions:		
By purchase	**7,795**	5,223
From acquisition of entities (including restructuring)	**-**	-
Impairments	**-**	-
Depreciation expense	**(23,628)**	(24,527)
Other movement	**-**	-
Disposals:		
From disposal of entities (including restructuring)	**-**	-
Other	**-**	-
Net book value 31 December	**46,640**	62,473
Net book value as of 31 December represented by:		
Gross book value	**288,739**	280,944
Accumulated depreciation and impairment	**(242,099)**	(218,471)
Net book value 31 December	**46,640**	62,473

	2017	2016
	$	$
Note 6F: Other Investments		
Deposits	-	-
Other	10	10
Total other investments	10	10

Note 6G: Other Non-current Assets		
Prepayments	-	-
Other	-	-
Total other non-financial assets	-	-

Note 7 Current Liabilities

Note 7A: Trade payables		
Trade creditors and accruals	14,917	8,223
Operating lease rentals	-	-
Subtotal trade creditors	14,917	8,223
Payables to other reporting unit[s]	-	-
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	14,917	8,223

Settlement is usually made within 30 days.

	2017 $	2016 $
Note 7B: Other payables		
Superannuation	**13,800**	8,468
Consideration to employers for payroll deductions	**-**	-
Legal costs		
Litigation	**-**	-
Other legal matters	**-**	8,880
GST payable	**30,357**	19,505
PAYG Withholding Payable	**14,720**	22,225
Other	**20,086**	5,738
Total other payables	**78,963**	64,816
Total other payables are expected to be settled in:		
No more than 12 months	**78,963**	64,816
More than 12 months	**-**	-
Total other payables	**78,963**	64,816

Note 7C: Finance lease liability

Current portion of finance lease	**9,957**	10,012
Total other non-current liabilities	**9,957**	10,012

Note 8 Provisions

Note 8A: Employee Provisions

Office Holders:		
Annual leave	**36,483**	30,202
Long service leave	**-**	-
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—office holders	**36,483**	30,202
Employees other than office holders:		
Annual leave	**10,489**	5,954
Long service leave	**-**	-
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—employees other than office holders	**10,489**	5,954
Total employee provisions	**46,972**	36,156
Current	**46,972**	36,156
Non Current	**-**	-
Total employee provisions	**46,972**	36,156

	2017	2016
	$	$

Note 9 Non-current Liabilities

Note 9A: Finance lease liability

	2017	2016
Non-current portion of finance lease	**15,911**	25,867
Total other non-current liabilities	**15,911**	25,867

Note 10 Equity

Note 10A: Funds

	2017	2016
General Fund		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-
Revaluation Reserve		
Balance as at start of year	**259,611**	-
Transferred to reserve	-	259,611
Transferred out of reserve	-	-
Balance as at end of year	**259,611**	259,611
Total Reserves	**259,611**	259,611

Note 10B: Other Specific disclosures - Funds

	2017	2016
Compulsory levy/voluntary contribution fund – if invested in assets		
[*list name of fund or account*]	-	-
Other fund(s) required by rules		
[*insert name of individual fund and purpose*]		
Balance as at start of year	-	-
Transferred to reserve	-	-
Transferred out of reserve	-	-
Balance as at end of year	-	-

Note 11 Cash Flow

	2017 $	2016 $

Note 11A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

	2017 $	2016 $
Cash and cash equivalents as per:		
Cash flow statement	**722,459**	678,861
Balance sheet	**722,459**	678,861
Difference	**-**	-

	2017 $	2016 $
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**6,053**	(33,195)
Adjustments for non-cash items		
Depreciation/amortisation	**31,928**	24,527
Interest in finance lease	**2,736**	3,397
Net write-down of non-financial assets	**-**	-
Fair value movements in investment property	**-**	-
Gain on disposal of assets	**-**	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	**(4,100)**	-
(Increase)/decrease in other current assets	**(4,134)**	(3,058)
Increase/(decrease) in supplier payables	**6,694**	(15,772)
Increase/(decrease) in other payables	**14,147**	2,807
Increase/(decrease) in employee provisions	**10,816**	(15,079)
Increase/(decrease) in other provisions	**-**	-
Net cash from (used by) operating activities	**64,140**	(36,373)

Note 11B: Cash flow information

	2017 $	2016 $
Cash inflows		
[list each reporting unit/controlled entity]	**-**	-
Total cash inflows	**-**	-
Cash outflows		
[list each reporting unit/controlled entity]	**-**	-
Total cash outflows	**-**	-

	2017	2016
	$	$

Note 12 Contingent Liabilities, Assets and Commitments

Note 12A: Commitments and Contingencies

Operating lease commitments—as lessee

The Branch is not entered any non-cancellable operating lease commitments as at 31 December 2017 *(31 December 2016: Nil)*

Operating lease commitments—as lessor

The Branch is not entered any non-cancellable operating lease commitments as at 31 December 2017 *(31 December 2016: Nil)*

Capital commitments

At 31 December 2017 the Branch has no capital commitments *(31 December 2016: Nil).*

	2017 $	2016 $
Finance lease commitments—as lessee		
Within one year	**11,990**	12,748
After one year but not more than five years	**16,773**	28,763
More than five years	**-**	-
Total minimum lease payments	**28,763**	41,511
Less amounts representing finance charges	**(2,895)**	(5,632)
Present value of minimum lease payments	**25,868**	35,879
Included in the financial statements as:	**-**	-
Current interest-bearing loans and borrowings	**9,957**	10,012
Non-current interest-bearing loans and borrowings	**15,911**	25,867
Total included in interest-bearing loans and borrowings	**25,868**	35,879

Note 12A: Commitments and Contingencies (continued)

Finance leases—lessor

	2017 $	2016 $
Minimum lease payments	-	-
Unguaranteed residual value	-	-
Gross investment	-	-
Unearned finance income	-	-
Net investment (present value of the minimum lease payments)	-	-
Gross amount of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total gross amount of minimum lease payments	-	-
Present value of minimum lease payments:		
Within one year	-	-
After one year but not more than five years	-	-
More than five years	-	-
Total present value of minimum lease payments	-	-

Other contingent assets or liabilities (i.e. legal claims)

Management has confirmed that there were no contingent assets or liabilities as at 31 December 2017 (31 December 2016: Nil)

	2017	2016
	$	$

Note 13 Related Party Disclosures

Note 13A: Related Party Transactions for the Reporting Period

The Branch has not entered related party transactions other than key management remuneration as disclosed below.

Note 13B: Key Management Personnel Remuneration for the Reporting Period

	2017 $	2016 $
Short-term employee benefits		
Salary (including annual leave taken)	**217,751**	254,401
Annual leave accrued	**1,539**	(7,540)
Superannuation	**20,461**	24,573
Performance bonus	**-**	-
Total short-term employee benefits	**239,751**	271,434
Post-employment benefits:		
Superannuation	**-**	-
Total post-employment benefits	**-**	-
Other long-term benefits:		
Long-service leave	**-**	-
Total other long-term benefits	**-**	-
Termination benefits	**-**	-
Total	**-**	-

Note 13C: Transactions with key management personnel and their close family members

There were no transactions (other than as disclosed above) during the year ended 31 December 2017 *(2016: Nil).*

Note 14 Remuneration of Auditors

	2017 $	2016 $
Value of the services provided		
Financial statement audit services	**9,200**	8,400
Other services	**-**	-
Total remuneration of auditors	**9,200**	8,400

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

Note 15 Financial Instruments

Note 15A: Categories of Financial Instruments

	2017 $	2016 $
Financial Assets		
Available-for-sale assets: fair value		
Investment in shares fair value	**10**	10
Total	**10**	10
Loans and receivables:		
Cash and Bank	**722,459**	678,861
Trade Debtors	**4,100**	-
Accrued interest receivable	**-**	-
Total	**726,559**	678,861
Carrying amount of financial assets	**726,559**	**678,871**
Financial Liabilities		
Fair value through profit or loss:		
	-	-
Total	**-**	-
Other financial liabilities:		
Accounts payable and other payables	**93,880**	73,039
Finance lease payable	**25,868**	35,879
Total	**119,748**	108,918
Carrying amount of financial liabilities	**119,748**	108,918

	2017	2016
	$	$
Note 15B: Net Income and Expense from Financial Assets		
Loans and receivables		
Interest revenue	**9,293**	12,291
Exchange gains/(loss)	**-**	-
Impairment	**-**	-
Gain/loss on disposal	**-**	-
Net gain/(loss) from loans and receivables	**9,293**	12,291
Net gain/(loss) at fair value through profit and loss	**-**	-
Net gain/(loss) from financial assets	**9,293**	12,291

Note 15C: Net Income and Expense from Financial Liabilities

At amortised cost		
Interest expense	**2,736**	3,397
Exchange gains/(loss)	**-**	-
Gain/loss on disposal	**-**	-
Net gain/(loss) financial liabilities - at amortised cost	**2,736**	3,397
Net gain/(loss) from financial liabilities	**2,736**	3,397

Note 15D: 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 2017 there were only $4,100 outstanding trade receivables *(2016: Nil)*.

Note 15E: 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 15E: Liquidity Risk (Continued)

Contractual maturities for financial liabilities 2017

	On Demand	**< 1 year**	**1– 2 years**	**2– 5 years**	**>5 years**	**Total**
		$	**$**	**$**	**$**	**$**
Trade & other payables	**-**	**93,880**	**-**	**-**	**-**	**93,880**
Finance lease payables		**11,990**	**16,773**			**28,763**
Total	**-**	**105,870**	**16,773**	**-**	**-**	**122,643**

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
		$	$	$	$	$
Trade & other payables	-	73,039	-	-	-	73,039
Finance lease payables	-	12,748	12,748	16,015	-	41,511
Total	-	85,787	12,748	16,015	-	114,550

Note 15F: Market Risk

[Market risks generally include interest rate risk, price risk, and currency risk—insert discussion market risks which the entity is exposed to]

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:

Fixed rate instruments	**2017**	2016
	$	$
Financial assets	**-**	**350,000**
Financial liabilities	**25,868**	**35,879**

Price risk

The Branch is not exposed to price risk.

Currency risk

The Branch is not exposed to currency risk.

	2017	2016
	$	$
Note 15G: Asset Pledged/or Held as Collateral		
Assets pledged as collateral		
Financial assets pledged as collateral:		
Motor vehicle	**25,868**	35,879
Total assets pledged as collateral	**25,868**	35,879

Note 16 Fair Value Measurement

Note 16A: Financial Assets and Liabilities

Management of the Branch 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 Branch 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 2017 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 Group 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 2017 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 Branch financial assets and liabilities:

	Carrying amount 2017 $	**Fair value 2017 $**	Carrying amount 2016 $	Fair value 2016 $
Financial Assets				
Cash and Bank	**722,459**	**722,459**	678,861	678,861
Other current assets	**4,100**	**4,100**	-	-
Available for sale asset	**10**	**10**	10	10
Total	**726,569**	**726,569**	678,871	678,871
Financial Liabilities				
Trade and other payables	**93,880**	**93,880**	73,039	73,039
Finance lease liability	**25,868**	**25,868**	35,879	35,879
Total	**119,748**	**119,748**	108,918	108,918

Note: The fair value of financial assets and financial liabilities is not materially different than their carrying value as at 31 December 2017 and 31 December 2016.

Note 16B: 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 2017

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Land and building	**2016**	-	**580,000**	-
Investment in shares	**2014**	-	**10**	-
Total		-	**580,010**	-
Liabilities measured at fair value				
Nil		-	-	-
Total		-	-	-

Fair value hierarchy – 31 December 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Land and building	2016	-	580,000	-
Investment in shares	2014	-	10	-
Total		-	580,010	-
Liabilities measured at fair value				
Nil				
Total				

	2017	2016
	$	$

Note 17 Administration of financial affairs by a third party[1]

Name of entity providing service:
Terms and conditions:
Nature of expenses/consultancy service:

Detailed breakdown of revenues collected and/or expenses incurred

	2017	2016
Revenue		
Membership subscription	-	-
Capitation fees	-	-
Levies	-	-
Interest	-	-
Rental revenue	-	-
Other revenue	-	-
Grants and/or donations	-	-
Total revenue	-	-
Expenses		
Employee expense	-	-
Capitation fees	-	-
Affiliation fees	-	-
Consideration to employers for payroll deductions	-	-
Compulsory levies	-	-
Fees/allowances - meeting and conferences	-	-
Conference and meeting expenses	-	-
Administration expenses	-	-
Grants or donations	-	-
Finance costs	-	-
Legal costs	-	-
Audit fees	-	-
Penalties - via RO Act or RO Regulations	-	-
Other expenses	-	-
Total expenses	-	-

Note 18 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 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) A Branch must comply with an application made under subsection (1).