

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**

**ABN: 64 406 978 451**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

# **Financial Statements 2023**

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**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION**

Section 268 *Fair Work (Registered Organisations) Act 2009*

**Certificate by prescribed designated officer**

Certificate for the year ended 31 December 2023

I *Rachael Metcalfe* 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 \_\_\_\_/\_\_\_\_/2024; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on \_\_\_\_/\_\_\_\_/2024 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: .....

Name of prescribed designated officer: .....

Title of prescribed designated officer: .....

Dated: .....



## Independent Audit Report to the Members of NT Branch of the Australian Education Union

### Report on the Audit of the Financial Report

#### Opinion

I have audited the financial report of NT Branch of the Australian Education Union (the reporting unit), which comprises the statement of financial position as at 31 December 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2023, notes to the financial statements, including a summary of material accounting policy information, the committee of management statement, the subsection 255(2A) report and the officer declaration statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the NT Branch of the Australian Education Union as at 31 December 2023, and its financial performance and its cash flows for the year ended on that date in accordance with:

- a) the Australian Accounting Standards; and
- b) any other requirements imposed by the reporting guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the **RO Act**).

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

#### Basis for Opinion

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

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

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

The committee of management is responsible for the other information. The other information obtained at the date of this auditor's report is in the operating report accompanying the financial report.

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

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

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

The committee of management of the reporting unit is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the committee of management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the committee of management is responsible for assessing the reporting unit's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the committee of management either intend to liquidate the reporting unit or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

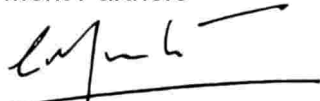
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the committee of management.
- Conclude on the appropriateness of the committee of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the reporting unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the reporting unit to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the reporting unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the reporting unit audit. I remain solely responsible for my audit opinion.

I communicate with the committee of management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I declare that I am an auditor registered under the RO Act.

*Merit Partners*

Merit Partners



MunLi Chee

Partner

Darwin

31 May 2024

Registration number (as registered by the Commissioner under the RO Act) : AA2021/6

## Report required under subsection 255(2A)

for the year ended 31 December 2023

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2023.

Descriptive form

| Categories of expenditures   | 2023 (\$) | 2022 (\$) |
|--|-----------|-----------|
| Remuneration and other employment-related costs and expenses – employees | 969,964   | 781,431   |
| Advertising  | 1,405     | 1,785     |
| Operating costs  | 517,185   | 468,332   |
| Legal costs  | 4,184     | 58,204    |

Signature of designated officer: .....

Name and title of designated officer: RACHAEL METCALFE AEU NT BRANCH SECRETARY

Dated: 31 May 2024 .....

## Operating report

The committee of management presents its operating report on the reporting unit for the year ended 31 December 2023.

### Committee members

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

- Michelle Ayres Branch President
- Rachael Metcalfe Branch Secretary (commenced term of office 16/01/2023)
- Adam Lampe Branch Secretary (resigned 03/03/2023)
- Brian Gray Vice-President (General) (commenced term of office 16/01/2023)
- Michael Pearson Vice-President (General) (completed term of office 16/01/2023)
- Delean Holtze Vice-President (TAFE) (completed term of office 16/01/2023)
- Michael Stimpson Treasurer (commenced term of office 16/01/2023)
- Julie Danvers Treasurer (completed term of office 16/01/2023)
- Amanda Vrymoet Indigenous Officer (commenced 13/10/2023)
- Melody O'Meara Women's Officer
- Ken Guest Regional Councillor
- Gillian Furniss Regional Councillor
- Emily Parker Regional Councillor
- Robyn Bierton Regional Councillor
- Alessa Fremmer Regional Councillor (commenced 03/03/2023)
- Darcy Fitzgerald Regional Councillor (commenced 07/06/2023)
- Trilokesh Chanmugam Regional Councillor (commenced 07/06/2023)
- Candace Loane Regional Councillor (commenced 15/01/2024)
- Nicholas Bailey Regional Councillor (commenced 15/01/2024)
- Gwen Warmbirrir Regional Councillor (resigned 16/01/2023)
- Rachael Metcalfe Regional Councillor (resigned 16/01/2023)
- Deborah Lamb Regional Councillor (resigned 11/05/2023)
- Melissa Rabar Regional Councillor (resigned 17/04/2023)
- Sarah Colomb Regional Councillor (resigned 18/04/2023)
- Lorenzo Siciliano Regional Councillor (resigned 01/03/2023)
- Georgia McClanahan Regional Councillor (resigned 16/01/2023)
- Nim Jayawardhana Regional Councillor (resigned 15/01/2024)
- Amanda Vrymoet Regional Councillor (commenced 03/03/2023) (resigned 13/10/2023)
- Stephen Nimmo Regional Councillor (commenced 20/04/2023) (resigned 15/01/2024)
- Rachel Jay Regional Councillor (commenced 08/06/2023) (resigned 15/01/2024)
- Jake Treloar Regional Councillor (commenced 08/06/2023) (resigned 15/01/2024)



## Operating report (continued)

### Committee members (continued)

- Jason Love Regional Councillor (commenced 01/06/2023) (resigned 13/12/2023)
- Michelle Correra Regional Councillor (commenced 01/06/2023) (resigned 15/01/2024)
- Noel Blomeley Regional Councillor (resigned 01/01/2023)

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 NT Branch has the following objectives:

- To increase Government funding to public education facilities
- Protect and promote quality teaching and learning
- Protect and enhance the industrial rights of AEU NT members
- To achieve pay and working conditions conducive to the retention and recruitment of public education workers to the Northern Territory.
- 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.

Our CRM database details the 101 member cases that were opened in 2023. We note many simple enquiries are not recorded in the database. For issues of significance, pay & conditions dominated, with 29 or 28.7%. Most of these issues were simple to resolve. Requiring the most significant resourcing were the disciplinary cases totaling 21 or 20.8% of all new cases opened for the year. Nineteen cases or 18.8% had to do with assistance for bullying and other grievances in the workplace. Fourteen enquiries or 13.9% had to do with workplace health and safety concerns. The following cases made up the remainder and were in the areas of housing, ongoing employment and other.

To contrast, member case numbers for 2022 were:

Total = 194 Cases  
Pay & Conditions = 63 or 32.5%  
Health & Safety = 15 or 7.7%  
Disciplinary = 29 or 15%

## **Operating report (continued)**

### **Principal activities (continued)**

We note some disciplinary cases or aspects of cases seemed unwarranted. However, because a disciplinary process is not part of the agreement, the process is unable to be disputed.

Members have recourse to formal dispute only in the most drastic of circumstances such as termination.

The Branch Executive receives more detailed breakdowns and discusses trends in issues at its regular meetings. The reduction in numbers may be due to sub branch members and reps resolving issues within their schools without having to seek support from the office due in part to the sub branch rep training.

It may also be due to members accessing information from our website 'Advice' fact sheets which cover commonly raised topics which formerly members would have sought help with from the office staff. In 2023 there was also a focus to ensure regular regional meetings were held which are yet another forum where members attending can have queries answered by the officers facilitating the meeting. Possibly office staff also didn't record simpler cases in the CRM due to administrative time constraints.

The year 2022 saw some turnover in elected officers and branch staff. The Branch President started her two year term having been elected to her office after completing some several months filling the role as a casual vacancy in 2022. The new Branch Secretary commenced her three year term of office having been elected to the office after teaching in the NT for the previous nine years.

Of the four existing branch staff, all continued working in the office for the entirety of 2023, with one advising they would be leaving around the end of the year. In order to facilitate a smooth transition, a new Project Officer was engaged on a contract basis towards the end of last year with the intention that they would replace the departing Project Officer after they had left.

The AEU NT has a small, loyal group of members at Batchelor Institute. The AEU works collaboratively with our sister unions, NTEU and United Workers Union to advance the interests of all union members of the Institute.

Enterprise bargaining commenced at Batchelor Institute early in 2023 and the AEU NT has been engaged in protracted bargaining with the Institute from this time, however only a limited number of meetings have been held. Unfortunately the employer has delayed the process and failed to take part in meetings. Our organization is considering appropriate action.

Charles Darwin University is not currently in a bargaining period.

## **Operating report (continued)**

### **Results of activities**

Other important achievements resulting from union activity included:

In early October 2022 Natasha Fyles ended the pay freeze and following continued negotiations to strike a better deal, our members voted up the new 2021 – 2024 enterprise agreement that year. It was signed by Fair Work in mid January 2023 which meant teachers benefitted from a 3% pa compounding pay rise over three years, backdated to October 2021.

Eligible employees started to see the benefits of this enterprise agreement being enacted almost immediately, receiving back pay and some other enhanced conditions such as additional NCT for graduate teachers and mentors, banking of FOILs (Fares out of Isolated Localities), improved career progression opportunities for Assistant Teachers, formalisation of new Katherine retention payments, an additional PD day, abolition of CT5 – CT6 progression hurdles and commitments to review teacher workloads and homeland teacher allowances.

The AEU NT contributed to the review of secondary education in the Northern Territory conducted by Deloitte Access Economics, the Northern Institute and Charles Darwin University.

Self-selected members of the AEU NT Branch also took part in campaigning at a local level for the AEU For Yes Campaign which was funded by the AEU Federal office.

A major undertaking for the Branch in the second half of 2023 was the AEU NT's involvement in the AEU's national public funding campaign, "For Every Child", the focus of which was, and still is, to close the resourcing gap and thus the achievement gaps between children from different backgrounds and bring every school to 100% of the SRS. Full time officers and Women's Conference delegates were involved in lobbying activities at Federal Parliament and branch and one Federal officer completed a road trip to Canberra from Darwin over some four weeks. They visited many schools and organised community events with enthusiastic regional member support to engage with families over these important issues through a postcards to the PM activity and as a result, built a solid base of supporters.

### **Significant changes**

There were no significant changes in the nature of these activities and the financial affairs during the year.

## Operating report (continued)

### 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.

## **Operating report (continued)**

### **Right of members to resign (continued)**

- (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 effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."

## Operating report (continued)

### 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.

### Membership and employee numbers

The number of members as of 31 December 2023 was **1,769** (the equivalent figure for 2022 was 1,799).

The number of full-time equivalent employees of the Branch in 2023 was six for the entirety of the year, including two elected full-time officers. The officer who would replace the project officer who indicated they were leaving at the end of 2023 was employed on contract from mid October 2023.

### Operating results

The deficit of the Branch for the financial year after providing for income tax amounted to \$98,710 (2022: surplus of \$148,125).

### After balance date events

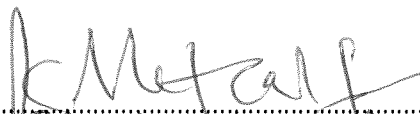
No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Branch, the results of those operations, or the state of affairs of the Branch in future financial years.

Signed in accordance with a resolution of the Branch Executive:

Signature of designated officer: .....

Name and title of designated officer: .....

Dated: .....

  
RACHAEL METCALFE  
BRANCH SECRETARY, AEU NT

31 MAY 2024

## Committee of management statement

On 27/05/<sup>2024</sup>~~2023~~ 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 2023:

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 the General Manager duly made under section 272 of the RO Act, that information has been provided to the member or the General Manager; and
  - vi. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.

This declaration is made in accordance with a resolution of the committee of management.

Signature of designated officer: .....

Name and title of designated officer: RACHAEL METCALFE, BRANCH SECRETARY

Dated: 31 MAY 2024

AEU NT

## Statement of comprehensive income

for the year ended 31 December 2023

|  | Notes | 2023<br>\$       | 2022<br>\$       |
|--|-------|------------------|------------------|
| <b>Revenue from contracts with customers</b>                   | 3     |                  |                  |
| Membership subscriptions*                                      |       | 1,401,770        | 1,434,702        |
| Capitation fees and other revenue from another reporting unit* |       | -                | -                |
| Levies*  |       | -                | -                |
| Revenue from recovery of wages activity*                       |       | -                | -                |
| <b>Total revenue from contracts with customers</b>             |       | <b>1,401,770</b> | <b>1,434,702</b> |
| <b>Income for furthering objectives</b>                        |       |                  |                  |
| Grants and/or donations*                                       |       | -                | -                |
| Income recognised from volunteer services*                     |       | -                | -                |
| <b>Total income for furthering objectives</b>                  |       | <b>-</b>         | <b>-</b>         |
| <b>Other income</b>  |       |                  |                  |
| Investment income  | 3A    | 15,911           | 7,014            |
| Other income   | 3B    | 11,835           | 52,927           |
| <b>Total other income</b>                                      |       | <b>27,746</b>    | <b>59,941</b>    |
| <b>Total income</b>  |       | <b>1,429,516</b> | <b>1,494,643</b> |
| <b>Expenses</b>  |       |                  |                  |
| Employee expenses*   | 4A    | 969,964          | 781,431          |
| Capitation fees and other expense to another reporting unit*   | 4B    | 68,118           | 74,929           |
| Affiliation fees*  | 4C    | 10,187           | 9,471            |
| Administration expenses  | 4D    | 400,200          | 345,843          |
| Grants or donations*   | 4E    | 545              | 1,050            |
| Depreciation and amortisation                                  | 4F    | 35,489           | 36,768           |
| Finance costs  | 4G    | 7,065            | 7,502            |
| Legal costs*   | 4H    | 4,184            | 58,204           |
| Other expenses*  |       | -                | -                |
| Audit fees   | 12    | 32,474           | 31,320           |
| <b>Total expenses</b>  |       | <b>1,528,226</b> | <b>1,346,518</b> |
| <b>(Deficit)/surplus for the year</b>                          |       | <b>(98,710)</b>  | <b>148,125</b>   |
| <b>Other comprehensive income</b>                              |       |                  |                  |
| Gain/(loss) on revaluation of land & buildings                 |       | -                | -                |
| <b>Total comprehensive income for the year</b>                 |       | <b>(98,710)</b>  | <b>148,125</b>   |

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

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



## Statement of financial position

as at 31 December 2023

|                                      | Notes | 2023<br>\$       | 2022<br>\$       |
|--------------------------------------|-------|------------------|------------------|
| <b>ASSETS</b>                        |       |                  |                  |
| <b>Current assets</b>                |       |                  |                  |
| Cash and cash equivalents            | 5A    | 887,329          | 981,026          |
| Trade and other receivables*         | 5B    | 53,287           | 32,068           |
| Other current assets                 | 5C    | 26,989           | 29,598           |
| <b>Total current assets</b>          |       | <b>967,605</b>   | <b>1,042,692</b> |
| <b>Non-current assets</b>            |       |                  |                  |
| Property, plant and equipment        | 6A    | 507,497          | 521,094          |
| Intangibles                          | 6B    | 80,846           | 70,244           |
| <b>Total non-current assets</b>      |       | <b>588,343</b>   | <b>591,338</b>   |
| <b>Total assets</b>                  |       | <b>1,555,948</b> | <b>1,634,030</b> |
| <b>LIABILITIES</b>                   |       |                  |                  |
| <b>Current liabilities</b>           |       |                  |                  |
| Trade payables*                      | 7A    | 45,196           | 71,473           |
| Other payables*                      | 7B    | 51,726           | 49,266           |
| Employee provisions                  | 8A    | 96,086           | 54,961           |
| <b>Total current liabilities</b>     |       | <b>193,008</b>   | <b>175,700</b>   |
| <b>Non-current liabilities</b>       |       |                  |                  |
| Employee provisions                  | 8A    | 11,788           | 8,468            |
| <b>Total non-current liabilities</b> |       | <b>11,788</b>    | <b>8,468</b>     |
| <b>Total liabilities</b>             |       | <b>204,796</b>   | <b>184,168</b>   |
| <b>Net assets</b>                    |       | <b>1,351,152</b> | <b>1,449,862</b> |
| <b>EQUITY</b>                        |       |                  |                  |
| General fund/retained earnings       |       | 1,178,341        | 1,277,051        |
| Revaluation Reserve                  |       | 172,811          | 172,811          |
| <b>Total equity</b>                  |       | <b>1,351,152</b> | <b>1,449,862</b> |

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

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

## Statement of changes in equity

for the year ended 31 December 2023

|   | Notes | Retained earnings<br>\$ | Revaluation Reserve<br>\$ | Total equity<br>\$ |
|---|-------|-------------------------|---------------------------|--------------------|
| <b>Balance as at January 2022</b>                 |       | 1,128,926               | 172,811                   | 1,301,737          |
| Surplus   |       | 148,125                 | -                         | 148,125            |
| Other comprehensive income                        |       | -                       | -                         | -                  |
| <b>Closing balance as at 31<br/>December 2022</b> |       | <b>1,277,051</b>        | <b>172,811</b>            | <b>1,449,862</b>   |
| (Deficit)   |       | (98,710)                | -                         | (98,710)           |
| Other comprehensive income                        |       | -                       | -                         | -                  |
| <b>Closing balance as at 31<br/>December 2023</b> |       | <b>1,178,341</b>        | <b>172,811</b>            | <b>1,351,152</b>   |

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

## Statement of cash flows

for the year ended 31 December 2023

|   | Notes | 2023<br>\$       | 2022<br>\$ |
|---|-------|------------------|------------|
| <b>OPERATING ACTIVITIES</b>   |       |                  |            |
| <b>Cash received</b>  |       |                  |            |
| Receipts from customers   |       | <b>1,392,386</b> | 1,464,180  |
| Receipts from other reporting unit/controlled entity(s)*              | 9B    | -                | -          |
| Interest  |       | <b>15,463</b>    | 7,014      |
| <b>Cash used</b>  |       |                  |            |
| Employees   |       | <b>(946,012)</b> | (781,431)  |
| Suppliers   |       | <b>(454,827)</b> | (442,171)  |
| Payment to other reporting units/controlled entity(s)*                | 9B    | <b>(68,118)</b>  | (64,866)   |
| <b>Net cash from (used by) operating activities</b>                   | 9A    | <b>(61,108)</b>  | 182,726    |
| <b>INVESTING ACTIVITIES</b>   |       |                  |            |
| <b>Cash used</b>  |       |                  |            |
| Purchase of plant and equipment                                       |       | <b>(5,266)</b>   | (500)      |
| Purchase of intangibles   |       | <b>(27,323)</b>  | -          |
| Purchase of land and buildings  |       | -                | (3,672)    |
| <b>Net cash from (used by) investing activities</b>                   |       | <b>(32,589)</b>  | (4,172)    |
| <b>FINANCING ACTIVITIES</b>   |       |                  |            |
| Other   |       | -                | -          |
| <b>Net cash from (used by) financing activities</b>                   |       | -                | -          |
| <b>Net increase (decrease) in cash held</b>                           |       | <b>(93,697)</b>  | 178,554    |
| Cash & cash equivalents at the beginning of the reporting period      |       | <b>981,026</b>   | 802,472    |
| <b>Cash &amp; cash equivalents at the end of the reporting period</b> | 5A    | <b>887,329</b>   | 981,026    |

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

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

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## **Note 1 Summary of material accounting policy information**

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

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

The financial statements, except for cash flow information, have been prepared using the accrual basis of accounting. The financial statements have been prepared on a historical cost basis except for certain classes of property, plant and equipment and investment properties, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. The financial statements are presented in Australian dollars.

### **1.2 Going concern**

The Branch's future operations are dependent upon the continued support of its members and the achievement of operating surpluses and positive operating cash flows. The Branch reported a deficit and negative operating cash flows for the year ended 31 December 2023. The Committee of Management has resolved that the Branch is a going concern as the Branch has no reason to believe that the support from members will not continue in the foreseeable future.

*The Branch* is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

### **1.3 Comparative amounts**

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

**Note 1 Summary of material accounting policy information (continued)**

**1.4 Material accounting judgements and estimates**

*The Branch* has made the following significant accounting judgements and estimates in the process of applying its accounting policies that have the most significant effect on the amounts recognised in the financial statements:

*Valuation of land and building*

Land and building were independently valued at 10 November 2020 by an external valuer. The valuation was based on the fair value less costs of disposal. The critical assumptions adopted in determining the valuation included the location of the land and building, the current strong demand for land and building in the area and recent sales data for similar properties. The valuation resulted in a revaluation decrement of \$86,800 being recognised for the year ended 31 December 2020. The Branch assessed the revaluation as at 31 December 2020 to be applicable as at 31 December 2023. A revised valuation will be sought for 31 December 2024.

**1.5 New Australian Accounting Standards**

**Adoption of New Australian Accounting Standards and amendments**

The Branch has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates and AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards

The amendments to AASB 1060 and AASB Practice Statement 2 Making Materiality Judgements provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments have had an impact on the disclosures of accounting policies by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies, but not on the measurement, recognition or presentation of any items in the financial statements.

**Note 1 Summary of material accounting policy information (continued)**

**1.6 Current versus non-current classification**

*The Branch* presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle;
- held primarily for the purpose of trading;
- expected to be realised within twelve months after the reporting period; or
- cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- it is expected to be settled in the normal operating cycle;
- it is held primarily for the purpose of trading;
- it is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

*The Branch* classifies all other liabilities as non-current.

## Note 1 Summary of material accounting policy information (continued)

### 1.7 Revenue

*The Branch* enters into various arrangements where it receives consideration from another party. These arrangements include consideration in the form of membership subscriptions, capitation fees, levies, grants, and donations.

The timing of recognition of these amounts as either revenue or income depends on the rights and obligations in those arrangements.

#### Revenue from contracts with customers

Where *The Branch* has a contract with a customer, *the Branch* recognises revenue when or as it transfers control of goods or services to the customer. *The Branch* accounts for an arrangement as a contract with a customer if the following criteria are met:

- the arrangement is enforceable; and
- the arrangement contains promises (that are also known as performance obligations) to transfer goods or services to the customer (or to other parties on behalf of the customer) that are sufficiently specific so that it can be determined when the performance obligation has been satisfied.

#### Membership subscriptions

For membership subscription arrangements that meet the criteria to be contracts with customers, revenue is recognised when the promised goods or services transfer to the customer as a member of *the Branch*.

If there is only one distinct membership service promised in the arrangement, *the Branch* recognises revenue as the membership service is provided, which is typically based on the passage of time over the subscription period to reflect *the Branch's* promise to stand ready to provide assistance and support to the member as required.

If there is more than one distinct good or service promised in the membership subscription, *the Branch* allocates the transaction price to each performance obligation based on the relative standalone selling price of each promised good or service. In performing this allocation, standalone selling prices are estimated if there is no observable evidence of the price that *the Branch* charges for that good or service in a standalone sale.



**Note 1 Summary of material accounting policy information (continued)**

**1.7 Revenue (continued)**

When a performance obligation is satisfied, which is either when the customer obtains control of the good (for example, books or clothing) or as the service transfers to the customer (for example, member services or training course), *the Branch* recognises revenue at the amount of the transaction price that was allocated to that performance obligation.

For member subscriptions paid annually in advance, *the Branch* has elected to apply the practical expedient to not adjust the transaction price for the effects of a significant financing component because the period from when the customer pays and the good or services will transfer to the customer will be one year or less.

When a member subsequently purchases additional goods or services from *the Branch* at their standalone selling price, *the Branch* accounts for those sales as a separate contract with a customer.

**Capitation fees**

Where *the Branch's* arrangement with a branch or another reporting unit meets the criteria to be a contract with a customer, *the Branch* recognises the capitation fees promised under that arrangement when or as it transfers to *the Australian Education Union Federal Office*.

In circumstances where the criteria for a contract with a customer are not met, *the Branch* will recognise capitation fees as income upon receipt (as specified in the income recognition policy below).

**Levies**

Levies paid by a member (or other party) in an arrangement that meets the criteria to be a contract with a customer is recognised as revenue when or as *the Branch* transfers the goods or services.

In circumstances where the criteria for a contract with a customer are not met, *the Branch* will recognise levies as income upon receipt (as specified in the income recognition policy below).

**Note 1 Summary of material accounting policy information (continued)**

**1.7 Revenue (continued)**

**Income of *the Branch* as a Not-for-Profit Entity**

Consideration is received by [*reporting unit*] to enable the entity to further its objectives. *The Branch* recognises each of these amounts of consideration as income when the consideration is received (which is when *the Branch* obtains control of the cash) because, based on the rights and obligations in each arrangement:

- the arrangements do not meet the criteria to be contracts with customers because either the arrangement is unenforceable or lacks sufficiently specific promises to transfer goods or services to the customer; and
- *the Branch's* recognition of the cash contribution does not give rise to any related liabilities.

*The Branch* receives cash consideration from the following arrangements whereby that consideration is recognised as income upon receipt:

- donations and voluntary contributions from members (including whip arounds);
- government grants.

**Volunteer services**

*The Branch* receives volunteer services. In those circumstances where the fair value of the volunteer services can be measured reliably, *the Branch* recognises the fair value of volunteer services received as income together with a corresponding expense where the economic benefits of the volunteer services are consumed as the services are acquired. Where the volunteer services contribute to the development of an asset, the fair value is included in the carrying amount of that asset.

During the year, *the Branch* did not recognise any volunteer services as revenue because it could not reliably measure the fair value of those services.

**Note 1 Summary of material accounting policy information (continued)**

**1.7 Revenue (continued)**

**Income recognised from transfers to acquire or construct a non-financial asset**

Where, as part of an enforceable agreement, *the Branch* receives consideration to acquire or construct a non-financial asset such as property, plant and equipment to an identified specification and for *the Branch's* own use, a liability is recognised for the obligation to acquire or construct the asset. Income is recognised as the obligation to acquire or construct the asset is satisfied, which is typically at a point in time for acquired assets and over time for constructed assets. The asset that is being acquired or constructed is recognised in accordance with the policy on property, plant and equipment.

**Gains from sale of assets**

An item of property, plant and equipment is derecognised upon disposal (which is at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognised.

**Interest income**

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

**Rental income**

Leases in which *the Branch*, as a lessor, does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the relevant lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as income in the period in which they are earned.

**Note 1 Summary of material accounting policy information (continued)**

**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 in the circumstances set up below.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts.

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

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by *the 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 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents include 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.

**1.10 Financial instruments**

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

**Note 1 Summary of material accounting policy information (continued)**

**1.11 Financial assets**

**Receivables**

A receivable is recognised if an amount of consideration that is unconditional is due from the customer (i.e. only the passage of time is required before payment of the consideration is due).

Receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

**Initial recognition and measurement**

*The Branch's* financial assets are classified as financial assets subsequently measured at amortised cost because both of the following conditions are met:

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

The classification of financial assets is performed at an instrument level at initial recognition of the financial asset.

*The Branch* initially measures a financial asset at its fair value plus transaction costs. However contract assets and trade receivables that do not contain a significant financing component are measured at the transaction price as determined in accordance with the revenue policy in Note 1.7.

**Subsequent measurement**

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

**Derecognition**

Financial assets are derecognised when the rights to receive cash flows from the asset have expired. For receivables and contract assets, *the Branch* directly reduces the gross carrying amount of a receivable or contract asset when it has no reasonable expectations of recovering the receivable or contract asset in its entirety or a portion thereof.

**Note 1 Summary of material accounting policy information (continued)**

**1.11 Financial assets (continued)**

**Offsetting**

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

**Impairment**

**Expected credit losses (ECLs)**

**i. Trade receivables**

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

**1.12 Financial Liabilities**

**Initial recognition and measurement**

*The Branch's* financial liabilities include trade and other payables.

*The Branch's* financial liabilities are classified as financial liabilities subsequently measured at amortised cost.

These financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

**Note 1 Summary of material accounting policy information (continued)**

**1.12 Financial Liabilities (continued)**

**Subsequent measurement**

**Financial liabilities at amortised cost**

After initial recognition, trade payables and interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

**Derecognition**

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

**1.13 Land, buildings, plant and equipment**

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.

**Note 1 Summary of material accounting policy information (continued)**

**1.13 Land, buildings, plant and equipment (continued)**

**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<sup>1</sup> 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.

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

|                     | <b>2023</b>           | <b>2022</b>    |
|---------------------|-----------------------|----------------|
| Land & buildings    | <b>40 to 50 years</b> | 40 to 50 years |
| Plant and equipment | <b>2 to 15 years</b>  | 2 to 15 years  |



**Note 1 Summary of material accounting policy information (continued)**

**1.13 Land, buildings, plant and equipment (continued)**

**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 or loss.

**1.14 Intangibles**

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. The useful life of *the Branch's* intangible assets are:

|             | <b>2023</b>         | <b>2022</b>  |
|-------------|---------------------|--------------|
| Intangibles | <b>6 to 9 years</b> | 6 to 9 years |

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

***Derecognition***

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit or loss when the asset is derecognised.

**Note 1 Summary of material accounting policy information (continued)**

**1.15 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 the 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 recoverable amount is its fair value.

**1.16 Taxation**

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

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO); 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.

**Note 1 Summary of material accounting policy information (continued)**

**1.17 Fair value measurement**

*The Branch* measures non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date.

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

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

The principal or the most advantageous market must be accessible by *the 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.

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

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

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties.

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**Note 2 Events after the reporting period**

There has not been any matter or circumstance occurring subsequent to the end of the financial year that has 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 subsequent financial periods.

**Note 3 Revenue and income**

**Note 3A: Investment income**

|                                | <b>2023</b>   | 2022  |
|--------------------------------|---------------|-------|
|                                | \$            | \$    |
| Interest received              | <b>15,911</b> | 7,014 |
| <b>Total investment income</b> | <b>15,911</b> | 7,014 |

**Note 3B: Other income**

|                           |               |        |
|---------------------------|---------------|--------|
| Sponsorship income        | -             | 8,250  |
| ATO refund                | -             | 41,794 |
| Other income              | <b>11,835</b> | 2,883  |
| <b>Total other income</b> | <b>11,835</b> | 52,927 |

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**Note 4 Expenses**

**Note 4A: Employee expenses\***

**Holders of office:**

|   |                |          |
|---|----------------|----------|
| Wages and salaries                                  | <b>340,558</b> | 310,181  |
| Superannuation                                      | <b>36,071</b>  | 30,833   |
| Leave and other entitlements                        | <b>15,227</b>  | (49,205) |
| Separation and redundancies                         | -              | -        |
| Other employee expenses                             | -              | -        |
| <b>Subtotal employee expenses holders of office</b> | <b>391,856</b> | 291,809  |

**Employees other than office holders:**

|   |                |         |
|---|----------------|---------|
| Wages and salaries  | <b>451,817</b> | 387,779 |
| Superannuation  | <b>48,053</b>  | 37,314  |
| Leave and other entitlements  | <b>29,219</b>  | 17,258  |
| Separation and redundancies   | -              | -       |
| Other employee expenses   | -              | -       |
| <b>Subtotal employee expenses employees other than office holders</b> | <b>529,089</b> | 442,351 |
| Payroll Tax Expense   | <b>49,019</b>  | 47,271  |
| <b>Total employee expenses</b>  | <b>969,964</b> | 781,431 |

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.

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**Note 4 Expenses (continued)**

**Note 4B: Capitation fees and other expense to another reporting unit \***

**Capitation fees**

|   | <b>2023</b>   | 2022   |
|---|---------------|--------|
|   | \$            | \$     |
| Australian Education Union – Federal Office | <b>68,118</b> | 74,929 |
| <b>Subtotal capitation fees</b>             | <b>68,118</b> | 74,929 |

**Other expense to another reporting unit**

|  |               |        |
|--|---------------|--------|
| None   | -             | -      |
| <b>Subtotal other expense to another reporting unit</b>                  | -             | -      |
| <b>Total capitation fees and other expense to another reporting unit</b> | <b>68,118</b> | 74,929 |

**Note 4C: Affiliation fees\***

|   |               |       |
|---|---------------|-------|
| NT Trades and Labour Council                | <b>10,187</b> | 9,471 |
| <b>Total affiliation fees/subscriptions</b> | <b>10,187</b> | 9,471 |

**Note 4D: Administration expenses**

|   |                |         |
|---|----------------|---------|
| Total paid to employers for payroll deductions of membership subscriptions* |                | -       |
| Compulsory levies*  |                |         |
| (AUSEDTAFE/publication levy)  | <b>6,449</b>   | 7,203   |
| Fees/allowances - meeting and conferences*                                  | <b>6,644</b>   | -       |
| Conference and meeting expenses*  | <b>119,517</b> | 110,414 |
| Contractors/consultants   | <b>6,728</b>   | 1,626   |
| Property expenses   | <b>4,825</b>   | 5,582   |
| Office expenses   | <b>38,938</b>  | 30,331  |
| Information communications technology                                       | <b>15,307</b>  | 13,011  |
| Other   | <b>201,792</b> | 177,676 |
| <b>Subtotal administration expense</b>                                      | <b>400,200</b> | 345,843 |
| Lease rentals:  |                |         |
| Short term, low value and variable lease payments                           | -              | -       |
| <b>Total administration expenses</b>  | <b>400,200</b> | 345,843 |

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.

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**Note 4 Expenses (continued)**

**Note 4E: Grants or donations\***

|  | <b>2023</b> | 2022         |
|--|-------------|--------------|
|  | \$          | \$           |
| Grants:                                  |             |              |
| Total expensed that were \$1,000 or less | -           | -            |
| Total expensed that exceeded \$1,000     | -           | -            |
| Donations:                               | -           | -            |
| Total expensed that were \$1,000 or less | <b>545</b>  | -            |
| Total expensed that exceeded \$1,000     | -           | 1,050        |
| <b>Total grants or donations</b>         | <b>545</b>  | <b>1,050</b> |

**Note 4F: Depreciation and amortisation**

|  |               |        |
|--|---------------|--------|
| Depreciation                               |               |        |
| Land & Buildings                           | <b>6,674</b>  | 6,692  |
| Property, plant and equipment              | <b>12,094</b> | 12,515 |
| <b>Total depreciation</b>                  | <b>18,768</b> | 19,207 |
| <b>Total amortisation</b>                  | <b>16,721</b> | 17,561 |
| <b>Total depreciation and amortisation</b> | <b>35,489</b> | 36,768 |

**Note 4G: Finance costs**

|                                       |              |       |
|---------------------------------------|--------------|-------|
| Bank charges/credit card merchant fee | <b>7,065</b> | 7,502 |
| <b>Total finance costs</b>            | <b>7,065</b> | 7,502 |

**Note 4H: Legal costs\***

|                          |              |        |
|--------------------------|--------------|--------|
| Litigation               |              | -      |
| Other legal costs        | <b>4,184</b> | 58,204 |
| <b>Total legal costs</b> | <b>4,184</b> | 58,204 |

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of comprehensive income.

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**Note 5 Current Assets**

**Note 5A: Cash and cash equivalents**

|  | <b>2023</b>    | 2022    |
|--|----------------|---------|
|  | \$             | \$      |
| Cash at bank                           | <b>342,657</b> | 451,816 |
| Cash on hand                           | <b>129</b>     | 129     |
| Short term deposits                    | <b>544,543</b> | 529,081 |
| <b>Total cash and cash equivalents</b> | <b>887,329</b> | 981,026 |

**Note 5B: Trade and other receivables**

**Receivables from other reporting unit(s)\***

|   |              |   |
|---|--------------|---|
| None  | <b>2,861</b> | - |
| <b>Total receivables from other reporting unit(s)</b> | <b>2,861</b> | - |

**Less allowance for expected credit losses\***

|  |   |   |
|--|---|---|
| None   | - | - |
| <b>Total allowance for expected credit losses</b>    | - | - |
| <b>Receivable from other reporting unit(s) (net)</b> | - | - |

**Other receivables:**

|  |               |        |
|--|---------------|--------|
| Other  | <b>50,426</b> | 32,068 |
| <b>Total other receivables</b>                 | <b>53,287</b> | 32,068 |
| <b>Total trade and other receivables (net)</b> | <b>53,287</b> | 32,068 |

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

|                                      |   |   |
|--------------------------------------|---|---|
| At 1 July                            | - | - |
| Provision for expected credit losses | - | - |
| Write-off                            | - | - |
| <b>At 30 June</b>                    | - | - |

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.



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**Note 5 Current Assets (continued)**

**Note 5C: Other current assets**

|                                   | <b>2023</b>   | 2022   |
|-----------------------------------|---------------|--------|
|                                   | \$            | \$     |
| Prepayments                       | <b>22,291</b> | 25,348 |
| Accrued interest                  | <b>4,698</b>  | 4,250  |
| <b>Total other current assets</b> | <b>26,989</b> | 29,598 |

## Note 6 Non-current Assets

### Note 6A: Property, Plant and Equipment

#### 2023

|  | Land<br>\$     | Buildings<br>\$ | Plant and Equipment<br>\$ | Total<br>\$    |
|--|----------------|-----------------|---------------------------|----------------|
| Property, Plant and Equipment:             |                |                 |                           |                |
| carrying amount                            | 130,000        | 333,672         | 325,235                   | 788,907        |
| accumulated depreciation                   | -              | (19,966)        | (261,444)                 | (281,410)      |
| <b>Total Property, Plant and Equipment</b> | <b>130,000</b> | <b>313,706</b>  | <b>63,791</b>             | <b>507,497</b> |

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

|  |                |                |               |                |
|--|----------------|----------------|---------------|----------------|
| <b>Net book value 31 December 2022</b>                       | 130,000        | 320,380        | 70,714        | 521,094        |
| Additions:   |                |                |               |                |
| By purchase  | -              | -              | 5,266         | 5,266          |
| Revaluations   | -              | -              | -             | -              |
| Impairments  | -              | -              | -             | -              |
| Depreciation expense   | -              | (6,674)        | (10,589)      | (17,263)       |
| Other movement <i>[give details below]</i>                   | -              | -              | -             | -              |
| Disposals  | -              | -              | (1,600)       | (1,600)        |
| Other  | -              | -              | -             | -              |
| <b>Net book value 31 December 2023</b>                       | <b>130,000</b> | <b>313,706</b> | <b>63,791</b> | <b>507,497</b> |
| <b>Net book value as of 31 December 2023 represented by:</b> |                |                |               |                |
| Gross book value   | 130,000        | 333,672        | 325,235       | 788,907        |
| Accumulated depreciation and impairment                      | -              | (19,966)       | (261,444)     | (281,410)      |
| <b>Net book value 31 December 2023</b>                       | <b>130,000</b> | <b>313,706</b> | <b>63,791</b> | <b>507,497</b> |

**Note 6A: Property, Plant and Equipment (continued)**

**2022**

|  | Land<br>\$     | Buildings<br>\$ | Plant and Equipment<br>\$ | Total<br>\$    |
|--|----------------|-----------------|---------------------------|----------------|
| Property, Plant and Equipment:             |                |                 |                           |                |
| carrying value                             | 130,000        | 333,672         | 321,568                   | 785,240        |
| accumulated depreciation                   | -              | (13,292)        | (250,854)                 | (264,146)      |
| <b>Total Property, Plant and Equipment</b> | <b>130,000</b> | <b>320,380</b>  | <b>70,714</b>             | <b>521,094</b> |

***Reconciliation of opening and closing balances of property, plant and equipment***

|  |                |                |               |                |
|--|----------------|----------------|---------------|----------------|
| <b>Net book value 1 January 2022</b>                         | 130,000        | 323,400        | 82,729        | 536,129        |
| Additions:   |                |                |               |                |
| By purchase  | -              | 3,672          | 500           | 4,172          |
| Depreciation expense   | -              | (6,692)        | (12,515)      | (19,207)       |
| <b>Net book value 31 December 2022</b>                       | <b>-</b>       | <b>320,380</b> | <b>70,714</b> | <b>521,094</b> |
| <b>Net book value as of 31 December 2022 represented by:</b> |                |                |               |                |
| Gross book value   | 130,000        | 333,672        | 321,568       | 785,240        |
| Accumulated depreciation and impairment                      | -              | (13,292)       | (250,854)     | (264,146)      |
| <b>Net book value 31 December 2022</b>                       | <b>130,000</b> | <b>320,380</b> | <b>70,714</b> | <b>521,094</b> |

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**Note 6A: Property, Plant and Equipment (continued)**

The revalued land and buildings consist of the property located at Unit 3 (8) Totem Road Coconut Grove NT 0810. Management determined that these constitute one class of asset under AASB 13 *Fair Value Measurement*, based on the nature, characteristics and risks of the property.

Fair value of the properties was determined by using market comparable method. This means that valuations performed by the valuer are based on active market prices, significantly adjusted for the difference in the nature, location or condition of the specific property. The Branch assessed the revaluation as at 31 December 2020 to be applicable as at 31 December 2023.

| <b>Significant unobservable valuation input</b> | <b>Range</b>      |
|---|-------------------|
| Price per square metre                          | \$1,800 - \$2,200 |

A significant increase (decrease) in estimated price per square metre in isolation would result in a significantly higher (lower) fair value.

**Note 6B: Intangibles**

|                            | <b>2023</b>     | 2022     |
|----------------------------|-----------------|----------|
|                            | \$              | \$       |
| Computer software at cost: |                 |          |
| Internally developed       |                 |          |
| Purchased                  | <b>174,931</b>  | 147,608  |
| Accumulated amortisation   | <b>(94,085)</b> | (77,364) |
| Impairment                 | -               | -        |
| <b>Total intangibles</b>   | <b>80,846</b>   | 70,244   |

***Reconciliation of opening and closing balances of intangibles***

|   |                 |          |
|---|-----------------|----------|
| <b>As at 1 January</b>                                  |                 |          |
| Gross book value  | <b>147,608</b>  | 147,608  |
| Accumulated amortisation and impairment                 | <b>(77,364)</b> | (59,803) |
| <b>Net book value 1 January</b>                         | <b>70,244</b>   | 87,805   |
| Additions:  |                 |          |
| By purchase   | <b>27,323</b>   | -        |
| Amortisation  | <b>(16,721)</b> | (17,561) |
| <b>Net book value 31 December</b>                       | <b>80,846</b>   | 70,244   |
| <b>Net book value as of 31 December represented by:</b> |                 |          |
| Gross book value  | <b>174,931</b>  | 147,608  |
| Accumulated amortisation and impairment                 | <b>(94,085)</b> | (77,364) |
| <b>Net book value 31 December</b>                       | <b>80,846</b>   | 70,244   |

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**Note 7 Current Liabilities**

**Note 7A: Trade payables**

|   |               |               |
|---|---------------|---------------|
| Trade creditors and accruals                        | <b>45,196</b> | 71,473        |
| <b>Subtotal trade creditors</b>                     | <b>45,196</b> | <b>71,473</b> |
| <b>Payables to other reporting unit(s)*</b>         |               |               |
| None  | -             | -             |
| <b>Subtotal payables to other reporting unit(s)</b> | <b>-</b>      | <b>-</b>      |
| <b>Total trade payables</b>                         | <b>45,196</b> | <b>71,473</b> |

Settlement is usually made within 30 days.

**Note 7B: Other payables**

|   | <b>2023</b>   | 2022          |
|---|---------------|---------------|
|   | \$            | \$            |
| PAYG withholding payable  | <b>18,304</b> | 14,284        |
| Superannuation  | <b>3,984</b>  | -             |
| Payable to employers for making payroll deductions of membership subscriptions* | -             | -             |
| Legal costs*  |               |               |
| Litigation  | -             | -             |
| Other legal costs   | -             | -             |
| GST payable   | <b>16,815</b> | 26,196        |
| Other   | <b>12,623</b> | 8,786         |
| <b>Total other payables</b>   | <b>51,726</b> | <b>49,266</b> |

Total other payables are expected to be settled in:

|                             |               |               |
|-----------------------------|---------------|---------------|
| No more than 12 months      | <b>51,726</b> | 49,266        |
| More than 12 months         | -             | -             |
| <b>Total other payables</b> | <b>51,726</b> | <b>49,266</b> |

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.

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**Note 8 Provisions**

**Note 8A: Employee provisions\***

**Office holders:**

|                              |               |        |
|------------------------------|---------------|--------|
| Annual leave                 | <b>48,993</b> | 33,854 |
| Long service leave           | -             | -      |
| Separations and redundancies | -             | -      |
| Other                        | -             | -      |

|   |               |        |
|---|---------------|--------|
| <b><i>Subtotal employee provisions—office holders</i></b> | <b>48,993</b> | 33,854 |
|---|---------------|--------|

**Employees other than office holders:**

|                              |               |        |
|------------------------------|---------------|--------|
| Annual leave                 | <b>47,093</b> | 21,107 |
| Long service leave           | <b>11,788</b> | 8,468  |
| Separations and redundancies | -             | -      |
| Other                        | -             | -      |

|  |               |        |
|--|---------------|--------|
| <b><i>Subtotal employee provisions—employees other than office holders</i></b> | <b>58,881</b> | 29,575 |
|--|---------------|--------|

|                                  |                |        |
|----------------------------------|----------------|--------|
| <b>Total employee provisions</b> | <b>107,874</b> | 63,429 |
|----------------------------------|----------------|--------|

**Note 8A: Employee provisions (continued)**

|   |                |        |
|---|----------------|--------|
| Current                                 | <b>96,086</b>  | 54,961 |
| Non-current                             | <b>11,788</b>  | 8,468  |
| <b><i>Total employee provisions</i></b> | <b>107,874</b> | 63,429 |

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.

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**Note 9 Cash Flow**

**Note 9A: Cash flow reconciliation**

**Reconciliation of cash and cash equivalents as per statement of financial position to statement of cash flow:**

|   | <b>2023</b>                   | 2022                  |
|---|-------------------------------|-----------------------|
|   | \$                            | \$                    |
| <b>Cash and cash equivalents as per:</b>  |                               |                       |
| Statement of cash flow  | <b>887,329</b>                | 981,026               |
| Statement of financial position   | <b>887,329</b>                | 981,026               |
| <b><i>Difference</i></b>  | <u><u>-</u></u>               | <u><u>-</u></u>       |
| <br>  |                               |                       |
| <b>Reconciliation of (Deficit)/Surplus to net cash from operating activities:</b> |                               |                       |
| (deficit)/surplus for the year  | <b>(98,710)</b>               | 148,125               |
| <br>  |                               |                       |
| <b>Adjustments for non-cash items</b>   |                               |                       |
| Depreciation/amortisation   | <b>35,489</b>                 | 36,768                |
| Loss on disposal of assets  | <b>97</b>                     | -                     |
| <br>  |                               |                       |
| <b>Changes in assets/liabilities</b>  |                               |                       |
| (Increase)/decrease in net receivables  | <b>(21,220)</b>               | (21,951)              |
| (Increase)/decrease in prepayments and accrued income                             | <b>2,609</b>                  | (686)                 |
| Increase/(decrease) in supplier payables  | <b>(23,818)</b>               | 52,417                |
| Increase/(decrease) in employee provisions  | <b>44,445</b>                 | (31,947)              |
| <b>Net cash from (used by) operating activities</b>                               | <u><u><b>(61,108)</b></u></u> | <u><u>182,726</u></u> |

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**Note 9 Cash Flow (continued)**

**Note 9B: Cash flow information\***

Cash inflows

|                           |          |          |
|---------------------------|----------|----------|
| None                      | -        | -        |
| <b>Total cash inflows</b> | <b>-</b> | <b>-</b> |

Cash outflows

|                            |               |               |
|----------------------------|---------------|---------------|
| AEU – Federal Office       | <b>68,118</b> | 64,866        |
| <b>Total cash outflows</b> | <b>68,118</b> | <b>64,866</b> |

**Note 10 Contingent Liabilities, Assets and Commitments**

**Note 10A: Commitments and contingencies**

The Branch has no non-cancellable commitments as at 31 December 2023 (2022: nil)

The Branch has no contingent asset or liabilities as at 31 December 2023 (2022: Nil)

**Note 11 Related Party Disclosures**

**Note 11A: Related party transactions for the reporting period**

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

**Note 11B: Key management personnel remuneration for the reporting period**

**Short-term employee benefits**

|   |                |          |
|---|----------------|----------|
| Salary (including annual leave taken)     | <b>340,558</b> | 310,181  |
| Annual leave accrued                      | <b>15,227</b>  | (21,474) |
| <b>Total short-term employee benefits</b> | <b>355,785</b> | 288,707  |

**Post-employment benefits:**

|                                       |               |        |
|---------------------------------------|---------------|--------|
| Superannuation                        | <b>36,071</b> | 30,833 |
| <b>Total post-employment benefits</b> | <b>36,071</b> | 30,833 |

**Other long-term benefits:**

|                                       |   |          |
|---------------------------------------|---|----------|
| Long-service leave                    | - | (27,731) |
| <b>Total other long-term benefits</b> | - | (27,731) |

**Termination benefits**

|              |                |                |
|--------------|----------------|----------------|
|              | -              | -              |
| <b>Total</b> | <b>391,856</b> | <b>291,809</b> |

\* As required by the reporting guidelines. Item to remain even if 'nil' unless the reporting unit opts to disclose it in the officer declaration statement or is disclosed as 'nil' in the Statement of financial position.



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**Note 11C: Transactions with key management personnel and their close family members**

There were no other transactions (other than as disclosed above) with key management personnel and their close family members during the year ended 31 December 2023 (2022: Nil)

**Loans to/from key management personnel - None**

**Other transactions with key management personnel - None**

**Note 12 Remuneration of Auditors**

|                                       | <b>2023</b>   | 2022   |
|---------------------------------------|---------------|--------|
|                                       | \$            | \$     |
| <b>Value of the services provided</b> |               |        |
| Current year accrual                  | <b>21,000</b> | 21,320 |
| Prior year under accrual              | <b>11,474</b> | 10,000 |
| <b>Total remuneration of auditors</b> | <b>32,474</b> | 31,320 |

**Note 13 Financial Instruments**

*The Branch* has financial instruments that are cash or cash equivalents, trade receivables, trade and some other payables and interest-bearing loans that are carried at amortised cost.

**Note 13A: Categories of Financial Instruments**

**Financial assets**

At amortised cost:

|                             |                |           |
|-----------------------------|----------------|-----------|
| Cash and cash equivalent    | <b>887,329</b> | 981,026   |
| Trade and other receivables | <b>44,682</b>  | 32,068    |
| Accrued interest            | <b>4,698</b>   | 4,250     |
| <b>Total</b>                | <b>936,709</b> | 1,017,344 |

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**Note 13 Financial Instruments (continued)**

**Note 13A: Categories of Financial Instruments (continued)**

**Financial liabilities**

At amortised cost:

|                             |               |               |
|-----------------------------|---------------|---------------|
| Trade payables and accruals | <b>45,196</b> | 71,473        |
| Other payables              | <b>12,623</b> | 8,786         |
| <b>Total</b>                | <b>57,819</b> | <b>80,259</b> |

**Note 13B: Net income and expense from financial assets**

**Financial assets at amortised cost**

|   |               |              |
|---|---------------|--------------|
| Interest revenue                                  | 15,911        | 7,014        |
| <b>Net income/(expense) from financial assets</b> | <b>15,911</b> | <b>7,014</b> |

**Note 13C: Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

NT Branch of the Australian Education Union manages its credit risk by undertaking transactions with a large number of counterparties and by performing adequate due diligence on major new customers to ensure only credit-worthy organisations are its counterparties. NT Branch of the Australian Education Union's exposure to credit risk is limited as its major source of revenue is the receipt of membership fees.

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

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**Note 13 Financial Instruments (continued)**

**Note 13C: Credit risk (continued)**

|   | Trade receivables and contract assets |                |                     |                     |                | Total<br>\$ |
|---|---------------------------------------|----------------|---------------------|---------------------|----------------|-------------|
|   | Days past due                         |                |                     |                     |                |             |
|   | Current<br>\$                         | <30 days<br>\$ | 30-60<br>days<br>\$ | 61-90<br>days<br>\$ | >91 days<br>\$ |             |
| <b>31 December 2023</b>                         |                                       |                |                     |                     |                |             |
| Expected credit loss rate                       | -%                                    | -%             | -%                  | -%                  | -%             |             |
| Estimate total gross carrying amount at default | 875                                   | 1,986          | -                   | -                   | -              | 2,861       |
| Expected credit loss                            | -                                     | -              | -                   | -                   | -              | -           |
| <b>31 December 2022</b>                         |                                       |                |                     |                     |                |             |
| Expected credit loss rate                       | -%                                    | -%             | -%                  | -%                  | -%             |             |
| Estimate total gross carrying amount at default | -                                     | -              | -                   | -                   | -              | -           |
| Expected credit loss                            | -                                     | -              | -                   | -                   | -              | -           |

*The Branch's* maximum exposure to credit risk for the components of the statement of financial position at 31 December 2023 and 2022 is the carrying amounts as illustrated above.

**Note 13D: Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. The Branch manages this risk through the following mechanisms:

- Maintain a reputable credit profile;
- Managing credit risk related to financial assets;
- Investing surplus cash with major financial institutions

The following tables sets out the liquidity risk of financial liabilities held by *The Branch*. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date. The undiscounted cash flows in these tables differ from the amounts included in the statement of financial position that are based on discounted cash flows.

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**Note 13 Financial Instruments (continued)**

**Note 13D: Liquidity risk (continued)**

Contractual maturities for financial liabilities and lease liabilities are as follows:

|                              | On Demand | < 1 year<br>\$ | 1– 2 years<br>\$ | 2– 5 years<br>\$ | >5<br>years<br>\$ | Total<br>\$ |
|------------------------------|-----------|----------------|------------------|------------------|-------------------|-------------|
| <b>Financial liabilities</b> |           |                |                  |                  |                   |             |
| <b>31 December 2023</b>      |           |                |                  |                  |                   |             |
| Trade and other payables     | -         | 61,803         | -                | -                | -                 | 61,803      |
| <b>Total</b>                 | -         | 61,803         | -                | -                | -                 | 61,803      |
| <br>                         |           |                |                  |                  |                   |             |
| Financial liabilities        |           |                |                  |                  |                   |             |
| 31 December 2022             |           |                |                  |                  |                   |             |
| Trade and other payables     | -         | 80,259         | -                | -                | -                 | 80,259      |
| <b>Total</b>                 | -         | 80,259         | -                | -                | -                 | 80,259      |

**Note 13E: Market risk**

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk.

**Interest rate risk**

Interest rate risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The following table demonstrates the sensitivity to a reasonably possible change in interest rate of those interest bearing loans:

|                    | Risk variable | 2023                    |                |        | Risk variable | 2022                    |                |         |
|--------------------|---------------|-------------------------|----------------|--------|---------------|-------------------------|----------------|---------|
|                    |               | Change in risk variable | Effect on      |        |               | Change in risk variable | Effect on      |         |
|                    |               |                         | Profit or loss | Equity |               |                         | Profit or loss | Equity  |
|                    |               | %                       | \$             | \$     |               |                         | \$             | \$      |
| Interest rate risk | -             | [+ 0.5%]                | 4,437          | 4,437  | -             | [+ 0.5%]                | 4,905          | 4,905   |
| Interest rate risk | -             | [- 0.5%]                | 4,437          | 4,437  | -             | [- 0.5%]                | (4,905)        | (4,905) |

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**Note 14 Fair value measurements**

**Note 14A: Financial assets and liabilities**

*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.

For other financial instruments, the following methods and assumptions were used to estimate the fair values:

- Fair values of *the Branch's* interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2023 was assessed to be insignificant.

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

|                              | Carrying<br>amount<br>2023<br>\$ | Fair<br>value<br>2023<br>\$ | Carrying<br>amount<br>2022<br>\$ | Fair<br>value<br>2022<br>\$ |
|------------------------------|----------------------------------|-----------------------------|----------------------------------|-----------------------------|
| <b>Financial assets</b>      |                                  |                             |                                  |                             |
| Cash at bank                 | 887,329                          | 887,329                     | 981,026                          | 981,026                     |
| Trade and other receivables  | 44,682                           | 44,682                      | 32,068                           | 32,068                      |
| Accrued interest             | 4,698                            | 4,698                       | 4,250                            | 4,250                       |
| <b>Total</b>                 | <b>936,709</b>                   | <b>936,709</b>              | 1,017,344                        | 1,017,344                   |
| <b>Financial liabilities</b> |                                  |                             |                                  |                             |
| Trade and other payables     | 61,803                           | 61,803                      | 80,259                           | 80,259                      |
| <b>Total</b>                 | <b>61,803</b>                    | <b>61,803</b>               | 80,259                           | 80,259                      |

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**Note 14 Fair value measurements (continued)**

**Note 14B: 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**

|   | Note | Level 1 |      | Level 2        |         | Level 3 |      |
|---|------|---------|------|----------------|---------|---------|------|
|   |      | 2023    | 2022 | 2023           | 2022    | 2023    | 2022 |
|   |      | \$      | \$   | \$             | \$      | \$      | \$   |
| <b>Assets measured at fair value</b>      |      |         |      |                |         |         |      |
| Land and buildings                        | 6A   | -       | -    | <b>443,707</b> | 450,380 | -       | -    |
| <b>Total</b>                              |      | -       | -    | <b>443,707</b> | 450,380 | -       | -    |
| <b>Liabilities measured at fair value</b> |      |         |      |                |         |         |      |
| Nil                                       |      | -       | -    | -              | -       | -       | -    |
| <b>Total</b>                              |      | -       | -    | -              | -       | -       | -    |

**Note 15 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 the General Manager:

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

## **Officer declaration statement**

I, Rachael Metcalfe being the Branch Secretary of the Australian Education Union, declare that the following activities did not occur during the reporting period ending 31 December 2023

*The Branch did not:*

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive revenue via compulsory levies
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that exceeded \$1,000
- pay separation and redundancy to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- have a payable to an employer for that employer making payroll deductions of membership subscriptions
- have a payable in respect of legal costs relating to litigation
- have a long service leave provision in respect of holders of office
- have a separation and redundancy provision in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have a fund or account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- have a balance within the general fund
- have another entity administer the financial affairs of the reporting unit

## Officer declaration statement (continued)

- make a payment to a former related party of the reporting unit

Signed by the officer: .....  .....

Dated: ..... 31 MAY 2024 ..... .....