

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

Certificate by prescribed designated officer.....	3
Independent Audit Report.....	4
Report required under subsection 255(2A).....	7
Operating Report	8
Committee of management statement	15
Statement of comprehensive income	16
Statement of financial position	17
Statement of changes in equity	18
Statement of cash flows	19
Index to the notes of the financial statements	19
Officer declaration statement	55

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 22/10/2024; and
- that the full report was presented to a *meeting of the committee of management* of the reporting unit on 11/10/2024 in accordance with section 266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer: 

Name of prescribed designated officer: RACHAEL METCALFE

Title of prescribed designated officer: BRANCH SECRETARY

Dated: 18 October 2024



PKF Merit Pty Ltd
ABN 16 107 240 522

Level 2, 9 Cavenagh Street
Darwin NT 0800

PO Box 3470
Darwin NT 0801
Australia

+61 8 8982 1444
clientservices@pkfmerit.com.au
pkf.com.au

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



PKF Merit

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.

PKF Merit

PKF Merit

MunLi Chee

MunLi Chee
Partner

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

Darwin

13 September 2024

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION


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.

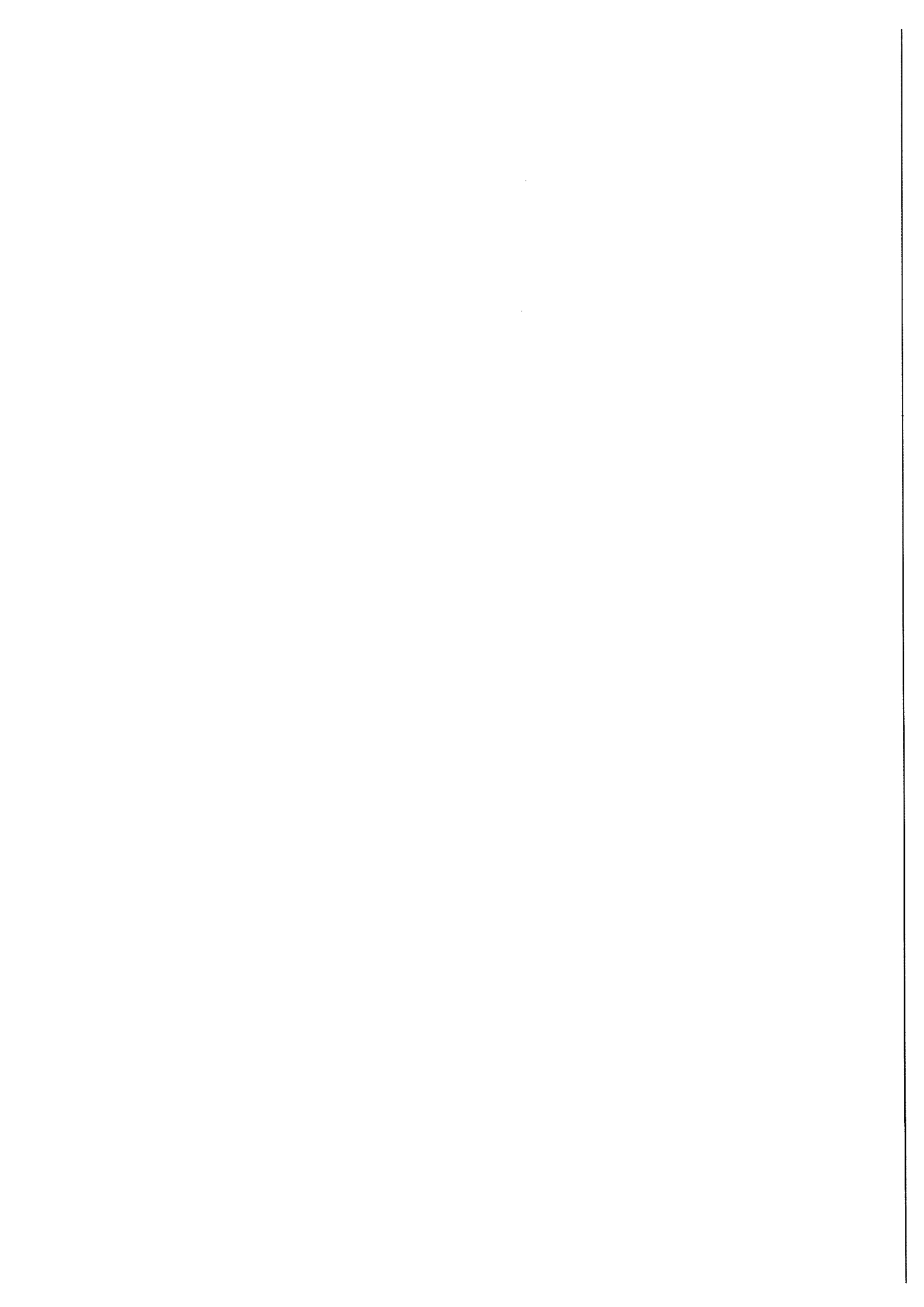
Descriptive form

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
Donations to political parties	-	-
Legal costs	4,184	58,204

Signature of designated officer: 

Name and title of designated officer: RACHAEL METCALFE

Dated: 13 September 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 Bierteron 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.

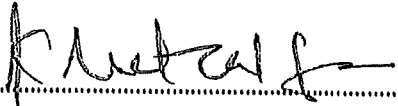
Operating results

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: RACHAEL METCALFE

Dated: 13 September 2024

Committee of management statement

On 13/9/2024 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

Dated: 13 September 2024

Statement of comprehensive income

for the year ended 31 December 2023

	Notes	2023 \$	2022 \$
Revenue from contracts with customers	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*		-	-
Total revenue from contracts with customers		1,401,770	1,434,702
Income for furthering objectives			
Grants and/or donations*		-	-
Income recognised from volunteer services*		-	-
Total income for furthering objectives		-	-
Other income			
Investment income	3A	15,911	7,014
Other income	3B	11,835	52,927
Total other income		27,746	59,941
Total income		1,429,516	1,494,643
Expenses			
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
Total expenses		1,528,226	1,346,518
(Deficit)/surplus for the year		(98,710)	148,125
Other comprehensive income			
Gain/(loss) on revaluation of land & buildings		-	-
Total comprehensive income for the year		(98,710)	148,125

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 \$	2022 \$
ASSETS			
Current assets			
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
Total current assets		967,605	1,042,692
Non-current assets			
Property, plant and equipment	6A	507,497	521,094
Intangibles	6B	80,846	70,244
Total non-current assets		588,343	591,338
Total assets		1,555,948	1,634,030
LIABILITIES			
Current liabilities			
Trade payables*	7A	45,196	71,473
Other payables*	7B	51,726	49,266
Employee provisions	8A	96,086	54,961
Total current liabilities		193,008	175,700
Non-current liabilities			
Employee provisions	8A	11,788	8,468
Total non-current liabilities		11,788	8,468
Total liabilities		204,796	184,168
Net assets		1,351,152	1,449,862
EQUITY			
General fund/retained earnings		1,178,341	1,277,051
Revaluation Reserve		172,811	172,811
Total equity		1,351,152	1,449,862

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

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

Statement of cash flows

for the year ended 31 December 2023

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

Index to the notes of the financial statements

Note 1	Summary of material accounting policy information
Note 2	Events after the reporting period
Note 3	Revenue and income
Note 4	Expenses
Note 5	Current assets
Note 6	Non-current assets
Note 7	Current liabilities
Note 8	Provisions
Note 9	Cash flow
Note 10	Contingent liabilities, assets and commitments
Note 11	Related party disclosures
Note 12	Remuneration of auditors
Note 13	Financial Instruments
Note 14	Fair value measurements
Note 15	Section 272 <i>Fair Work (Registered Organisations) Act 2009</i>

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 rounds);
- 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 class¹ 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:

	2023	2022
Land & buildings	40 to 50 years	40 to 50 years
Plant and equipment	2 to 15 years	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:

	2023	2022
Intangibles	6 to 9 years	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.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT**

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

	2023	2022
	\$	\$
Interest received	15,911	7,014
Total investment income	15,911	7,014

Note 3B: Other income

Sponsorship Income	-	8,250
ATO refund	-	41,794
Other income	11,835	2,883
Total other income	11,835	52,927

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

Note 4 Expenses

Note 4A: Employee expenses*

	2023	2022
	\$	\$
Holders of office:		
Wages and salaries	340,558	310,181
Superannuation	36,071	30,833
Leave and other entitlements	15,227	(49,205)
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	391,856	291,809
Employees other than office holders:		
Wages and salaries	451,817	387,779
Superannuation	48,053	37,314
Leave and other entitlements	29,219	17,258
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	529,089	442,351
Payroll Tax Expense	49,019	47,271
Total employee expenses	969,964	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.

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

Note 4 Expenses (continued)

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

Capitation fees

	2023	2022
	\$	\$
Australian Education Union – Federal Office	68,118	74,929
Subtotal capitation fees	68,118	74,929

Other expense to another reporting unit

None	-	-
Subtotal other expense to another reporting unit	-	-
Total capitation fees and other expense to another reporting unit	68,118	74,929

Note 4C: Affiliation fees*

NT Trades and Labour Council	10,187	9,471
Total affiliation fees/subscriptions	10,187	9,471

Note 4D: Administration expenses

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
 ABN 64 406 978 451
 ANNUAL FINANCIAL REPORT**

Note 4 Expenses (continued)

Note 4E: Grants or donations*

	2023	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	545	1,050
Total expensed that exceeded \$1,000	-	-
Total grants or donations	545	1,050

Note 4F: Depreciation and amortisation

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

Note 4G: Finance costs

Bank charges/credit card merchant fee	7,065	7,502
Total finance costs	7,065	7,502

Note 4H: Legal costs*

Litigation		-
Other legal costs	4,184	58,204
Total legal costs	4,184	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.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT**

Note 5 Current Assets

Note 5A: Cash and cash equivalents

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

Note 5B: Trade and other receivables

Receivables from other reporting unit(s)*

Australian Education Union – Federal Office	2,861	-
Total receivables from other reporting unit(s)	2,861	-

Less allowance for expected credit losses*

None	-	-
Total allowance for expected credit losses	-	-
Receivable from other reporting unit(s) (net)	-	-

Other receivables:

Other	50,426	32,068
Total other receivables	53,287	32,068
Total trade and other receivables (net)	53,287	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	-	-
At 30 June	-	-

* 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.

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT**

Note 5 Current Assets (continued)

Note 5C: Other current assets

	2023	2022
	\$	\$
Prepayments	22,291	25,348
Accrued interest	4,698	4,250
Total other current assets	26,989	29,598

Note 6 Non-current Assets

Note 6A: Property, Plant and Equipment

2023

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

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

Net book value 31 December 2022	130,000	320,380	70,714	521,094
Additions:				
By purchase	-	-	5,266	5,266
Revaluations	-	-	-	-
Impairments	-	-	-	-
Depreciation expense	-	(6,674)	(12,094)	(18,768)
Write back of accumulated depreciation	-	-	1,505	1,505
Disposals	-	-	(1,600)	(1,600)
Other	-	-	-	-
Net book value 31 December 2023	130,000	313,706	63,791	507,497
Net book value as of 31 December 2023 represented by:				
Gross book value	130,000	333,672	325,235	788,907
Accumulated depreciation and impairment	-	(19,966)	(261,444)	(281,410)
Net book value 31 December 2023	130,000	313,706	63,791	507,497

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

2022

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

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

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

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.

Significant unobservable valuation input	Range
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

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

Reconciliation of opening and closing balances of intangibles

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

Note 7 Current Liabilities

Note 7A: Trade payables

	2023	2022
	\$	\$
Trade creditors and accruals	45,196	71,473
Subtotal trade creditors	45,196	71,473
Payables to other reporting unit(s)*		
None	-	-
Subtotal payables to other reporting unit(s)	-	-
Total trade payables	45,196	71,473

Settlement is usually made within 30 days.

Note 7B: Other payables

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

Total other payables are expected to be settled in:

No more than 12 months	51,726	49,266
More than 12 months	-	-
Total other payables	51,726	49,266

* 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.

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
 ABN 64 406 978 451
 ANNUAL FINANCIAL REPORT

Note 8 Provisions

Note 8A: Employee provisions*

	2023	2022
	\$	\$
Office holders:		
Annual leave	48,993	33,854
Long service leave	-	-
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	48,993	33,854
Employees other than office holders:		
Annual leave	47,093	21,107
Long service leave	11,788	8,468
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	58,881	29,575
Total employee provisions	107,874	63,429

Note 8A: Employee provisions (continued)

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT**

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:

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT**

Note 9 Cash Flow (continued)

Note 9B: Cash flow Information*

	2023	2022
	\$	\$
Cash inflows		
None	-	-
Total cash inflows	<u>-</u>	<u>-</u>
Cash outflows		
AEU – Federal Office	68,118	64,866
Total cash outflows	<u>68,118</u>	<u>64,866</u>

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

Revenue received from Australian Education Union – Federal Office includes the following:

FEC Road Trip Reimbursement	<u>2,861</u>	<u>-</u>
-----------------------------	--------------	----------

Expenses paid to Australian Education Union – Federal Office includes the following:

Capitation Fees	<u>68,118</u>	<u>74,929</u>
-----------------	---------------	---------------

Other amounts owed by Australian Education Union – Federal Office include the following:

FEC Road Trip Reimbursement	<u>2,861</u>	<u>-</u>
-----------------------------	--------------	----------

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

**NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
 ABN 64 406 978 451
 ANNUAL FINANCIAL REPORT**

Note 11 Related Party Disclosures (continued)

Note 11A: Related party transactions for the reporting period (continued)

Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2023, The Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2022: \$nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

Outstanding balances arising from sales and purchases of goods and services: These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts. No provision for impairment has been raised in relation to any of these outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

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

	2023	2022
	\$	\$
Short-term employee benefits		
Salary (including annual leave taken)	340,558	310,181
Annual leave accrued	15,227	(21,474)
Total short-term employee benefits	<u>355,785</u>	<u>288,707</u>
Post-employment benefits:		
Superannuation	36,071	30,833
Total post-employment benefits	<u>36,071</u>	<u>30,833</u>
Other long-term benefits:		
Long-service leave	-	(27,731)
Total other long-term benefits	<u>-</u>	<u>(27,731)</u>
Termination benefits	-	-
Total	<u><u>391,856</u></u>	<u><u>291,809</u></u>

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

Note 11 Related Party Disclosures (continued)

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

	2023	2022
	\$	\$
Value of the services provided		
Audit Fee	15,500	14,820
Prior year audit fee out of scope	9,474	8,000
Assistance with preparation of financial report	5,500	6,500
Prior year assistance with preparation of financial report overruns	2,000	2,000
Total remuneration of auditors	<u>32,474</u>	<u>31,320</u>

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	887,329	981,026
Trade and other receivables	44,682	32,068
Accrued interest	4,698	4,250
Total	<u>936,709</u>	<u>1,017,344</u>

Financial liabilities

At amortised cost:

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

Note 13B: Net income and expense from financial assets

Financial assets at amortised cost

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

Note 13 Financial Instruments (continued)

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.

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

Note 13 Financial Instruments (continued)

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.

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

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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

Note 13E: Market risk (continued)

Interest rate risk (continued)

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)	

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 amount	Fair value	Carrying amount	Fair value
	2023	2023	2022	2022
	\$	\$	\$	\$
Financial assets				
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
Total	936,709	936,709	1,017,344	1,017,344
Financial liabilities				
Trade and other payables	61,803	61,803	80,259	80,259
Total	61,803	61,803	80,259	80,259

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

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
		\$	\$	\$	\$	\$	\$
Assets measured at fair value							
Land and buildings	6A	-	-	443,707	450,380	-	-
Total		-	-	443,707	450,380	-	-
Liabilities measured at fair value							
Nil		-	-	-	-	-	-
Total		-	-	-	-	-	-

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

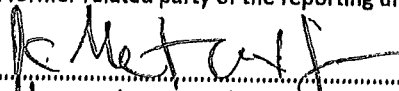
The Branch did not:

- 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 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

NT BRANCH OF THE AUSTRALIAN EDUCATION UNION
ABN 64 406 978 451
ANNUAL FINANCIAL REPORT

Officer declaration statement (continued)

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

Signed by the officer: 

Dated: 13 September 2024