AUSTRALIAN EDUCATION UNION

VICTORIAN BRANCH

AND CONTROLLED ENTITY

ABN: 44 673 398 674

Financial Report For The Year Ended
31 December 2024

Australian Education Union Victorian Branch
126 Trenerry Crescent, Abbotsford VIC 3067

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

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Financial Report For The Year Ended 31 December 2024

CONTENTS

OPERATING REPORT

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

The AEU is a professional and industrial organisation, registered under the *Fair Work (Registered Organisations) Act 2009*, representing teachers, education support personnel, and educational leaders in Early Childhood (EC) education, public schools, Technical and Further Education (TAFE) institutes, Adult Migrant Education Services (AMES), and Disability Services across Victoria. The AEU is a democratic, federated structure with the Victorian Branch based in Abbotsford, Melbourne.

The primary objectives of the AEU Victorian Branch (AEU) are to represent the professional and industrial interests of its members and to advance Victoria's public education system. This is achieved by enacting strategies, including advocacy and campaigns which enhance the working conditions, living standards, and professional status and rights of members, and the learning environment of students in EC, public schools, TAFE, AMES, and Disability Services.

The AEU is a member led union acting in the best interests of members and the public education system and is the effective voice of the education profession in Victoria.

AEU members are dedicated professionals who provide high quality public education to their students despite the provision of adequate resources by governments. Their knowledge, skills, commitment, resourcefulness and preparedness to go above and beyond is at the heart of the provision of public education and its concomitant contribution to our democracy.

In 2024, the AEU acted to be:

1. Politically effective and a strong advocate for public education, unionism and a leader in the development of the public education sector.
2. Growing and striving to achieve a membership of 100% of the entire public education industry workforce.
3. Successful in delivering high quality and relevant services to the members.
4. Facilitating an empowered workforce that is engaged in the union and active.
5. Effective and sustainable through sound management, strong processes, appropriate use of technology and with a diverse workforce that is respected, recognised, resourced and with a team focus.

The union's advocacy and campaigning primarily focused on funding for public education, workforce shortages, industrial bargaining, and the advancement of a range of other policy objectives.

Truth-telling and Treaty

In 2024, the AEU provided written and oral evident to the Yoorrook Justice Commission as part of Victoria's truth-telling processes. The union's evidence focused on the historical and continuing effect of colonisation on Aboriginal and Torres Strait Islander peoples in and through the Victorian education system, particularly in relation to students and employees in public schools. The union also took further steps to enable it to be a culturally safe organisation and be, on that basis, a key advocate for First Nations union members to employers and other organisations related to their employment to also become sufficiently culturally safe and free of racism. This work included preparatory steps for the AEU to become a Friend of Treaty for Victoria. Ensuring that Aboriginal and/or Torres Strait Islander union employees and members can experience culturally safe workplaces, where sovereignty, self-determination, and cultural knowledge is properly recognised, is ongoing work for the AEU.

OPERATING REPORT (Continued)

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year (Continued)

Staffing shortages

The AEU continued to highlight the significant impact that staffing shortages, particularly of teachers, are having on our schools, not least shortages experienced in outer metropolitan, regional, and rural schools. The Department of Education's *Victorian Teacher Workforce Snapshot 2023*, published in late 2024, shows the continuing lack of supply of teachers, as well as some increase to the number of people entering into initial teacher education. Consistent with the policy objectives outlined in the AEU's *Ten Year Plan for Staffing in Public Education*, some of the measures introduced by the state government such as scholarship for secondary teaching degrees, financial support for initial teacher education students while on practicum placements, and an expanded Career Start program are making a difference in attracting teachers to our schools. However, the Victorian government have not put in place real measures to address the retention of existing employees, with attrition rates continuing to grow to unacceptably high levels.

Provision of services to members

The AEU has supported over 18,000 individual members with workplace issues, answered around 19,000 phone calls and emails, and supported members with complex cases in almost 300 meetings at the Merit Protection Board, conciliations, and support meetings. In addition, we have represented members at the Fair Work Commission, County, Supreme, and Federal Courts, as well as other commissions and tribunals.

Recruitment, Training and Campaigning organisers provided direct support and advice to sub-branch and workplace representatives in their workplaces, with a focus on recruitment of new members, supporting members to be active and to assist them to develop the skills to take up member issues at the local level. In addition, the industrial workgroup provided direct legal support and advice to members, with the AEU Executive approving considerable expenditure for external legal services, provided to members at no cost. We have also had member representation on professional bodies and directly to employers; and made submissions and appearances before both state and federal inquiries.

Early Childhood

With the introduction of the new industrial relations laws, AEU members, together with members of other unions, were the first to make a supported bargaining application, with the Fair Work Commission giving authorisation in September 2023. A new agreement was achieved in December 2024 for a 10% pay increase for educators and teachers in long day care settings, with a further 5% to be paid in 2025. The Commonwealth government are to contribute $3.6 billion to fund the pay increases. This is a significant win for the lowest paid AEU members and will be the basis for further AEU bargaining and campaigning.

The AEU commenced bargaining with employers for replacement agreements for the industry benchmark Victorian Early Childhood Teachers and Educators Agreement 2020 and Early Education Employees Agreement 2020. Negotiations continued through 2024, with the state government sitting at the bargaining table as the funder of kindergarten services following the AEU successfully getting the Victorian government to commit to fully fund fee-free kindergarten for every three and four year old Victorian.

OPERATING REPORT (Continued)

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year (Continued)

The AEU made an application for a single interest employer authorisation for members employed by relevant local government. This application was contested by employers, with the AEU conducting a majority support petition and subsequent to that a majority support ballot, both of which gained overwhelming support by teachers and educators.

Bargaining continued in a range of other kindergarten services not party to the main sector agreements.

Schools

Throughout 2024, the AEU continued to campaign to achieve full funding for public schools from the Victorian and Commonwealth governments. The longstanding campaign objective to see 100% of the Schooling Resource Standard (SRS) delivered remained, with the Commonwealth to contribute 25% and the state government 75%. When the SRS was established over a decade ago it represented a funding approach that recognised that public schools educate those students with the highest level of need and therefore requiring the high levels of funded support. The levels of educational disadvantage experienced by students in public education are well known and have been starkly visible for many years. In recent years there has been more awareness of the gross inequity that exists between public and private education when it comes to school funding.

The AEU co-ordinated principal members to lobby state government MPs in a ‘Principals at Parliament’ campaign activity to highlight funding and shortage issues. The union published two research papers as part of a collaboration with Monash University, in a series called ‘What the profession needs now for the future’, with a third paper published in February 2025. This work sets out draft recommendations for what needs to be done to ensure the high quality provision of public education over the short, medium, and long term.

Campaign efforts, under the ‘For Every Child’ banner, focused on key federal electorates to raise awareness about the need for full funding and to put pressure on the Commonwealth government to deliver. The absence of a bilateral funding agreement means that the Victorian government contribution did not increase in line with the agreement signed in 2019, further short-changing public school students and communities by approximately $500 million per year. The failure of the state government on this front brings into question the Allan government’s claim that Victoria is the ‘education state’.

In early 2025, the Victorian and Commonwealth governments signed a head of agreement committing to delivering 100% of the SRS.

TAFE

The AEU continued to negotiate for a new agreement for members in the stand alone TAFE institutes. Bargaining commenced in 2022, with vocational education in Victoria the lowest funded in the nation on a per student basis and an experienced TAFE teacher paid approximately $8,000 less than a similarly experienced school teacher. TAFE teachers participated in protected industrial action including bans and limitations on work and stopwork action over 4 days. Bargaining continued at RMIT, Victoria University, and Federation University.

The union highlighted the significant shortage of TAFE teachers and how it is much harder to address the wider shortage of skilled workers in the economy without them. Improvements to pay and conditions are key to attracting and retaining TAFE teachers, as well as reduced workloads. In early 2025 an in-principal agreement was reached across the TAFE institutes featuring a minimum 21% increase over 4 years (14% delivered in the first 14 months) with planning time increased by one-third to help address excessive workload.

OPERATING REPORT (Continued)

Review of principal activities, the results of those activities and any significant changes in the nature of those activities during the year (Continued)

The AEU continued to advocate for funding reform so that TAFEs are funded to at least the cost of delivering courses, consistent with the recommendations of Macklin review, as well as pushing for the state government to legislate that TAFE will receive at least 70% of vocational education funding as promised by the state ALP prior to the last state election.

The Victorian Branch continued to participate in the federal AEU 'Rebuild with TAFE' campaign including ahead of the federal election. We continue to call for investment in the TAFE teaching workforce and to develop a capital investment strategy for TAFE.

Disability Services

In 2024, the AEU sought to take advantage of important improvements to federal industrial relation law to support our members in Disability Services. This included continuing work to maintain and improve members pay and conditions through extensions to 'zombie' agreements as well as multi-employer bargaining approaches with supportive as well as unsupportive employers. In addition, bargaining has continued in a range of stand alone disability services not covered by collective agreements.

Submissions made by the AEU in 2024

- Submission to the Yoorrook Justice Commission's Investigation of Systemic Injustice in Victoria's School System.
- Submission to the Senate Standing Committee on Education's Inquiry into Provisions of the Better and Fairer Schools (Funding and Reform) Bill 2024.
- Submission to the Legislative Assembly Economy and Infrastructure Committee Inquiry into Workplace Surveillance.

Significant changes in financial affairs

There were no significant changes in the financial affairs of the Branch.

OPERATING REPORT (Continued)

Right of members to resign

All members have a right to resign in accordance with rule 17 of the Union's Federal Office Registered Rules and section 174(1) of the *Fair Work (Registered Organisations) Act 2009*.

The policy of the Victorian Branch is detailed below:

1. 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 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 Branch Secretary; or

   (ii) on the day specified in the notice;

   whichever is later.

2. Where a member's resignation from the Union is received but not processed at the time, no disadvantage will be applied when the resignation is processed.
3. The Branch Executive is authorised to vary this policy in exceptional circumstances and upon written request.
4. This policy is available on the AEU website.

It is imperative that the Union receives formal notification of member resignations.

OPERATING REPORT (Continued)

Branch Executive members for 2024 and period positions held during the year

The Branch Executive is the Committee of Management of the AEU Victorian Branch. The name of each person who has been a member of the AEU Victorian Branch Executive at any time during the financial year is as follows:

NAME	
AULICH Erin	
BRYAN Kay	Resigned 9/09/2024
BURTON Tanya	Resigned 14/05/2024
COLES Simon	
D'ORTENZIO Marino	
FEWKES Rebekah	
FISCHER Debra	Term of office ended 31/12/2024
GILLESPIE Elaine	
HARRIS Justin	Term of office ended 31/12/2024
HOLLEY Seir	
HUMPHRIES Ann (Jessie)	
KOLBER Jemina	
MANSFIELD Meagan	
MARTIN Keith	
MASIERO Antoinette	
MULLALY Justin	
NIGHTINGALE Cara	
PACE Michael	
PEACE Meredith	Term of office ended 31/12/2024
PONTIKIS Mary-Anne	
RATJE Heidi	
RIGONI Anthony	Term of office ended 31/12/2024
STOKES Briley	
TENSON Katrina	Term of office ended 31/12/2024
WARING-DALLWITZ Claire	Term of office ended 31/12/2024
WRIGHT Shane	

OPERATING REPORT (Continued)

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

The following members of our Branch Council are trustees of a superannuation entity or an exempt public sector superannuation scheme:
Dean Glare
Angela Stringer

Both are directors of the Emergency Services & State Super Board.

The following members are directors of a company that is a trustee of a superannuation entity or an exempt public sector superannuation scheme:

Antoinette Masiero's term as a director of the Aware Super Board ended on 30 June 2024.

Erin Aulich's appointment as a director of the Aware Super Board commenced on 1 July 2024

Number of members

The number of persons who, at the end of the financial year, were recorded in the register of members and who are taken to be members of the Branch was 41,975 (financial and unfinancial).

Number of employees

The numbers of persons who were, at the end of the financial year, employees of the Branch including both full time and part time employees measured on a full time basis was 83.46.

E Aulich

Signature of designated officer

Name and title of designated officer: Erin Aulich, Branch Secretary

Dated: 19/05/2025

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 31 December 2024

On 19 May 2025 the AEU Victorian Branch Executive of the Australian Education Union Victorian Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2024:

The AEU Victorian Branch Executive declares that in its opinion:

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

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

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

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

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

- (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
- (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
- (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
- (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
- (v) where information has been sought in any request by a member of the reporting unit or the 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 Branch Executive.

Signature of designated officer E Aulich

Name and title of designated officer: Erin Aulich, Branch Secretary

Dated: 19/05/2025

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 December 2024

		Consolidated		Parent	
		2024	2023	**2024**	2023
	Notes	**$**	$	**$**	$
Revenue from contracts with customers					
Membership subscription		**22,674,014**	22,999,341	**22,674,008**	22,999,332
Capitation fees		**-**	-	**-**	-
Levies	3A	**942,831**	980,947	**942,831**	980,947
Total revenue from contracts with customers	3	**23,616,845**	23,980,288	**23,616,839**	23,980,279
Income for furthering objectives					
Grants and donations	3B	**253,403**	226,666	**-**	-
Total income for furthering objectives		**253,403**	226,666	**-**	-
Other Income					
Interest	3C	**360,040**	297,897	**360,040**	297,897
Rental revenue	3D	**751,253**	690,877	**751,253**	690,877
Training revenue	3E	**51,570**	133,127	**-**	-
Other revenue	3F	**224,125**	275,941	**282,577**	323,041
Total other income		**1,386,988**	1,397,842	**1,393,870**	1,311,815
Total income		**25,257,236**	25,604,796	**25,010,709**	25,292,094
Expenses					
Employee expenses	4A	**15,712,791**	16,875,427	**15,523,856**	16,710,352
Capitation fees	4B	**2,364,380**	2,542,716	**2,364,380**	2,542,716
Affiliation fees	4C	**297,887**	282,572	**297,887**	282,572
Administration expenses	4D	**5,148,884**	4,455,289	**5,146,228**	4,452,869
Grants and donations	4E	**124,079**	171,399	**124,079**	171,399
Depreciation and amortisation	4F	**1,140,713**	1,309,985	**1,140,713**	1,309,985
Finance costs	4G	**96,769**	66,512	**96,769**	66,512
Legal costs	4H	**1,121,290**	880,513	**1,121,290**	880,513
Training expenses	4I	**52,274**	136,655	**-**	-
Audit fees	13	**24,230**	23,879	**20,780**	20,559
Total expenses		**26,083,297**	26,744,947	**25,835,982**	26,437,477
(Loss) for the year before tax		**(826,061)**	(1,140,151)	**(825,273)**	(1,145,383)
Income tax expenses		**-**	-	**-**	-
(Loss) for the year		**(826,061)**	(1,140,151)	**(825,273)**	(1,145,383)
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**(826,061)**	(1,140,151)	**(825,273)**	(1,145,383)

STATEMENT OF FINANCIAL POSITION

as at 31 December 2024

	Notes	Consolidated		Parent	
		2024	2023	**2024**	2023
		$	$	**$**	$
ASSETS					
Current assets					
Cash and cash equivalents	5A	**1,987,136**	2,878,836	**1,864,794**	2,839,228
Trade and other receivables	5B	**1,420,286**	1,563,816	**1,420,303**	1,489,078
Other current assets	5C	**786,284**	901,176	**785,326**	900,912
Other financial assets	5D	**6,719,886**	6,702,335	**6,719,886**	6,702,335
Inventories	5E	**62,788**	86,575	**62,788**	86,575
Total current assets		**10,976,380**	12,132,738	**10,853,097**	12,018,128
Non-current assets					
Land and buildings	6A	**16,871,809**	17,128,304	**16,871,809**	17,128,304
Plant and equipment	6B	**557,414**	709,303	**557,414**	709,303
Right-of-use assets	6C	**1,116,242**	1,414,970	**1,116,242**	1,414,970
Investment property	6D	**8,309,995**	8,436,328	**8,309,995**	8,436,328
Intangibles	6E	**370,889**	267,195	**370,889**	267,195
Total non-current assets		**27,226,349**	27,956,100	**27,226,349**	27,956,100
Total assets		**38,202,729**	40,088,838	**38,079,446**	39,974,228
LIABILITIES					
Current liabilities					
Trade payables	7A	**262,705**	729,271	**262,705**	729,271
Other payables	7B	**306,469**	403,581	**294,515**	393,617
Right-of-use liabilities	7C	**535,546**	427,710	**535,546**	427,710
Employee provisions	8A	**1,462,145**	1,709,894	**1,451,308**	1,701,061
Total current liabilities		**2,566,865**	3,270,456	**2,544,074**	3,251,659
Non-current liabilities					
Right-of-use liabilities	7C	**654,714**	1,013,102	**654,714**	1,013,102
Employee provisions	8A	**2,383,355**	2,381,424	**2,365,341**	2,368,877
Total non-current liabilities		**3,038,069**	3,394,526	**3,020,055**	3,381,979
Total liabilities		**5,604,934**	6,664,982	**5,564,129**	6,633,638
Net assets		**32,597,795**	33,423,856	**32,515,317**	33,340,590
MEMBERS' FUNDS					
Retained profits	9A	**32,597,795**	33,423,856	**32,515,317**	33,340,590
Total members' funds		**32,597,795**	33,423,856	**32,515,317**	33,340,590

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

Consolidated	**Retained earnings**	**Total equity**
	$	$
Balance as at 1 January 2023	34,564,007	34,564,007
(Loss) for the year	(1,140,151)	(1,140,151)
Closing balance at 31 December 2023	33,423,856	33,423,856
(Loss) for the year	**(826,061)**	**(826,061)**
Closing balance at 31 December 2024	**32,597,795**	**32,597,795**

Parent	**Retained earnings**	**Total equity**
	$	$
Balance as at 1 January 2023	34,485,973	34,485,973
(Loss) for the year	(1,145,383)	(1,145,383)
Closing balance at 31 December 2023	33,340,590	33,340,590
(Loss) for the year	**(825,273)**	**(825,273)**
Closing balance at 31 December 2024	**32,515,317**	**32,515,317**

CASHFLOW STATEMENT

for the year ended 31 December 2024

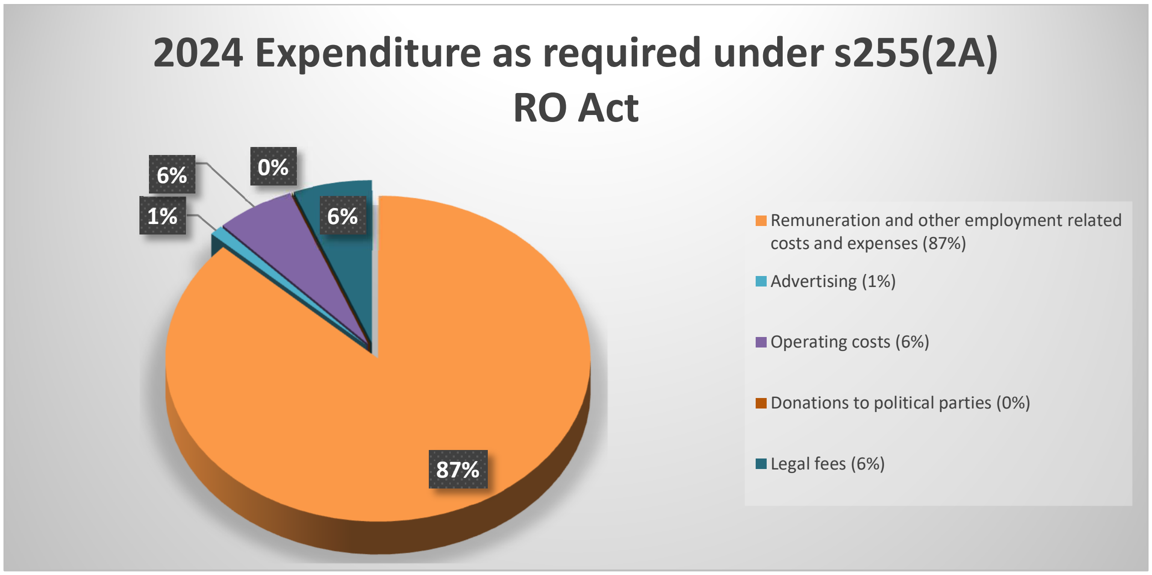
		Consolidated		Parent	
		2024	2023	**2024**	2023
	Notes	**$**	$	**$**	$
OPERATING ACTIVITIES					
Cash received					
Interest		**336,488**	253,986	**336,788**	253,986
Membership receipts		**25,923,301**	26,214,711	**25,923,295**	26,214,702
Rental receipts		**898,535**	885,993	**898,535**	885,993
Receipts from other reporting units / controlled entity(s)	10C	**200,297**	39,334	**268,624**	94,180
Grant received		**353,543**	249,333	**-**	-
Other		**238,497**	250,905	**176,798**	112,863
Cash used					
Employee costs		**(16,113,268)**	(16,609,221)	**(15,927,394)**	(16,434,157)
Suppliers		**(9,132,232)**	(7,201,923)	**(9,053,829)**	(7,037,544)
Interest paid		**(96,769)**	(66,512)	**(96,769)**	(66,512)
Payment to other reporting units/controlled entity(s)	10C	**(2,821,027)**	(3,017,822)	**(2,821,417)**	(3,018,282)
Net cash (used by) from operating activities	10B	**(212,635)**	998,784	**(295,369)**	1,005,229
INVESTING ACTIVITIES					
Cash used					
Purchase of intangibles		**(173,768)**	(200,515)	**(173,768)**	(200,515)
Purchase of property, plant and equipment		**(237,194)**	(1,016,469)	**(237,194)**	(1,016,469)
Reinvestment of interest		**(17,551)**	(185,401)	**(17,551)**	(185,401)
Net cash (used by) investing activities		**(428,513)**	(1,402,385)	**(428,513)**	(1,402,385)
FINANCING ACTIVITIES					
Cash used					
Repayment of bank loan		**-**	(1,425,347)	**-**	(1,425,347)
Lease liabilities - new		**221,601**	994,797	**221,601**	994,797
Repayment of lease liabilities		**(472,153)**	(478,405)	**(472,153)**	(478,405)
Net cash (used by) financing activities		**(250,552)**	(908,955)	**(250,552)**	(908,955)
Net (decrease) in cash held		**(891,700)**	(1,312,556)	**(974,434)**	(1,306,111)
Cash & cash equivalents at the beginning of the reporting period		**2,878,836**	4,191,392	**2,839,228**	4,145,339
Cash & cash equivalents at the end of the reporting period	10A	**1,987,136**	2,878,836	**1,864,794**	2,839,228

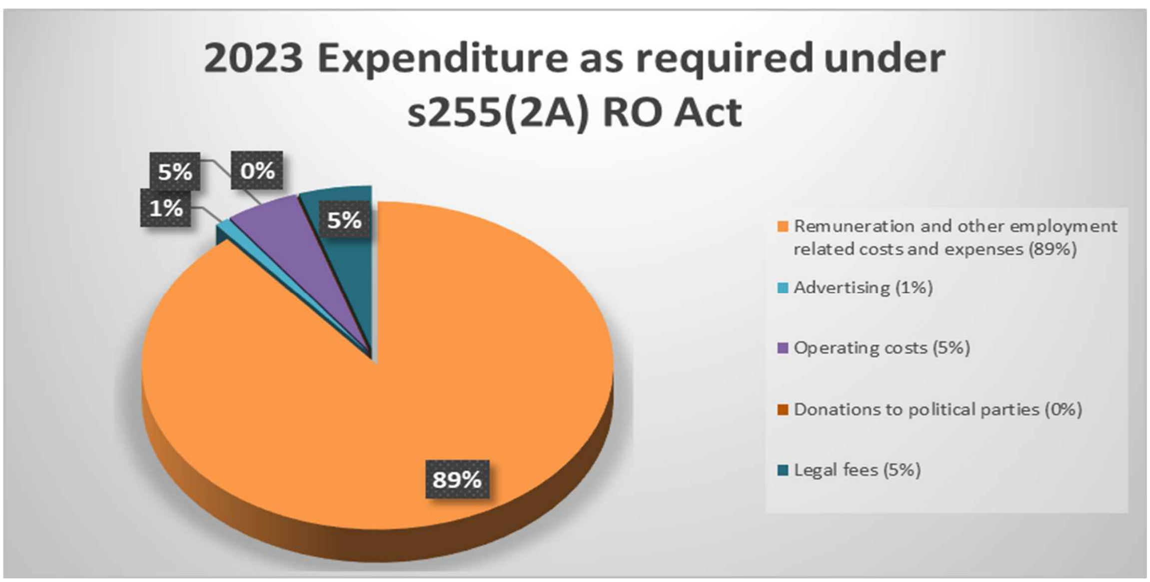
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITY

ABN: 44 673 398 674

REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 31 December 2024

The Committee of Management presents the expenditure report as required under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009* on the Reporting Unit for the year ended 31 December 2024.





Due to the specific requirements under subsection 255(2A) of the *Fair Work (Registered Organisations) Act 2009*, there will likely be some other costs incurred by the reporting unit which do not fall within the above categories. Accordingly the expenditure reported in this report may not represent 100% of the expenditure actually incurred by the reporting unit.

Signature of designated officer
Name and title of designated officer: Erin Aulich, Branch Secretary

Dated: 19/05/2025

Index to the Notes of the Financial Statements

Note 1 Summary of material accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Significant accounting judgements and estimates

There are no accounting assumptions or estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

1.3 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements
The group has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2024:

- AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current [AASB 101]
- AASB 2022-6 Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants [AASB 101]
- AASB 2022-5 Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback [AASB 16]; and
- AASB 2023-1 Amendments to Australian Accounting Standards – Supplier Finance Arrangements [AASB 7 & AASB 107]

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

Note 1 Summary of material accounting policies (Continued)

1.3 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are not mandatory for 31 December 2024 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and amendments is set out below:

<table>
<tr><td>Title of Standard</td><td>AASB 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027)</td></tr>
<tr><td>Nature of change</td><td>AASB 18 will replace AASB 101 Presentation of financial statements, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though AASB 18 will not impact the recognition or measurement of items in the financial statements, its impacts on presentation and disclosure are expected to be pervasive, in particular those related to the statement of financial performance and providing management-defined performance measures within the financial statements.</td></tr>
<tr><td></td><td>Management is currently assessing the detailed implications of applying the new standard on the group's consolidated financial statements. From the high-level preliminary assessment performed, the following potential impacts have been identified:

- The line items presented on the primary financial statements might change as a result of the application of the concept of 'useful structured summary' and the enhanced principles on aggregation and disaggregation.
- The group does not expect there to be a significant change in the information that is currently disclosed in the notes because the requirement to disclose material information remains unchanged; however, the way in which the information is grouped might change as a result of the aggregation/disaggregation principles. In addition, there will be significant new disclosures required for:
  • management-defined performance measures;
  • a break-down of the nature of expenses for line items presented by function in the operating category of the statement of profit or loss – this break-down is only required for certain nature expenses; and
  • for the first annual period of application of AASB 18, a reconciliation for each line item in the statement of profit or loss between the restated amounts presented by applying AASB 18 and the amounts previously presented applying AASB 101.
- From a cash flow statement perspective, there will be changes to how interest received and interest paid are presented. Interest paid will be presented as financing cash flows and interest received as investing cash flows, which is a change from current presentation as part of operating cash flows.</td></tr>
<tr><td></td><td>The group will apply the new standard from its mandatory effective date of 1 January 2027. Retrospective application is required, and so the comparative information for the financial year ending 31 December 2026 will be restated in accordance with AASB 18.</td></tr>
</table>

Note 1 Summary of material accounting policies (Continued)

1.3 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (Continued)

Title of Standard	**AASB 2024-2 Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments [AASB 7 & AASB 9] (effective for annual periods beginning on or after 1 January 2026)**
Nature of change	These amendments: • clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and • update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).
	The Group does not expect these amendments to have a material impact on its operations or financial statements.

1.4 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Australian Education Union Victorian Branch and entities (including special purpose entities) controlled by the Australian Education Union Victorian Branch (its subsidiaries). Control is achieved where the Australian Education Union Victorian Branch has the power to govern the financial and operating policies of an entity.

Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Branch and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Branch.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Changes in the Branch ownership interests in subsidiaries that do not result in the Branch losing control are accounted for as equity transactions. The carrying amounts of the Branch interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Branch.

Note 1 Summary of material accounting policies (Continued)

1.4 Basis of consolidation (Continued)

When the Branch loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Branch had directly disposed of the relevant assets (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under *AASB 139 'Financial Instruments: Recognition and Measurement'* or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

1.5 Business combinations

The acquisition method of accounting is used to account for all business combinations, except for those identified in the *Fair Work Commissions reporting guidelines* under item 12. The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interest issued by the parent entity. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values on acquisition date. On an acquisition-by-acquisition basis, the parent entity recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the parent entity's share of the net identifiable assets, is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the subsidiary acquired and the measurement of all amounts has been reviewed, the difference is recognised directly in profit or loss as a bargain purchase.

If it is determined that the combination results in mutual benefit to both the members of the acquirer and the acquiree, the surplus of the fair value of the net identifiable assets acquired over the consideration paid will be recognised in member's funds as a business combination reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss.

No acquisition of assets and liability as part of a business combination has occurred during the financial year.

Note 1 Summary of material accounting policies (Continued)

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The Branch did not 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 the organisation, a determination or revocation by the General Manager of the Fair Work Commission under subsections 245(1) or 249(1) of the RO Act.

1.7 Revenue

The consolidated entity 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 consolidated entity has a contract with a customer, the consolidated entity recognises revenue when or as it transfers control of goods or services to the customer. The consolidated entity 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 prices 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. 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 consolidated entity 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 consolidated entity at their standalone selling price, the consolidated entity accounts for those sales as a separate contract with a customer.

Note 1 Summary of material accounting policies (Continued)

1.7 Revenue (Continued)

Interest income

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

Rental income

Leases in which the consolidated entity 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 revenue in the period in which they are earned.

1.8 Government grants

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

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

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

1.9 Gains

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 profit or loss when the asset is derecognised.

1.10 Capitation fees and 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 services that will transfer as part of its sufficiently specific promise to the branch/other reporting unit. In circumstances where the criteria for a contract with a customer are not met, the branch will recognise levies as income upon receipt.

Note 1 Summary of material accounting policies (Continued)

1.11 Employee benefits

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

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

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

1.12 Leases

The consolidated entity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Consolidated entity as a lessee

The consolidated entity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The consolidated entity recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The consolidated entity recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. If ownership of the leased asset transfers to the consolidated entity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Note 1 Summary of material accounting policies (Continued)

1.12 Leases (Continued)

Lease liabilities

At the commencement date of the lease, the consolidated entity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the consolidated entity and payments of penalties for terminating the lease, if the lease term reflects the [reporting unit] exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the consolidated entity uses the incremental borrowing rate if the implicit lease rate is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.13 Borrowing costs

All borrowing costs are recognised in the statement of comprehensive income in the period in which they are incurred.

1.14 Cash

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

1.15 Financial instruments

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

Note 1 Summary of material accounting policies (Continued)

1.16 Financial assets

Contract assets and receivables

A contract asset is recognised when the group's right to consideration in exchange goods or services that has transferred to the customer when that right is conditioned on the consolidated entity 's future performance or some other condition.

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).

Contract assets and receivables are subject to impairment assessment. Refer to accounting policies on impairment of financial assets below.

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income (**OCI**), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the consolidated entity's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the consolidated entity initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest' (**SPPI**) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The consolidated entity*'s* business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

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

Note 1 Summary of material accounting policies (Continued)

1.16 Financial assets (Continued)

Subsequent measurement

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

- (Other) financial assets at amortised cost
- (Other) financial assets at fair value through other comprehensive income
- Investments in equity instruments designated at fair value through other comprehensive income
- (Other) financial assets at fair value through profit or loss
- (Other) financial assets designated at fair value through profit or loss

Financial assets at amortised cost

The consolidated entity measures financial assets at amortised cost if both of the following conditions are met:

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

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

The consolidated entity's financial assets at amortised cost includes trade receivables and loans to related parties.

Investments in equity instruments designated at fair value through other comprehensive income

Upon initial recognition, the consolidated entity can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under AASB132 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in profit or loss when the right of payment has been established, except when the consolidated entity benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment. The consolidated entity elected to classify irrevocably its listed and non-listed equity investments under this category.

Note 1 Summary of material accounting policies (Continued)

1.16 Financial assets (Continued)

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The consolidated entity has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:
  a) the consolidated entity has transferred substantially all the risks and rewards of the asset, or
  b) the consolidated entity has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the consolidated entity has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership.

When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the consolidated entity continues to recognise the transferred asset to the extent of its continuing involvement together with associated liability.

Offsetting

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

Impairment

(i) Trade receivables

For trade receivables that do not have a significant financing component, the consolidated entity applies a simplified approach in calculating expected credit losses (**ECLs**) which requires lifetime expected credit losses to be recognised from initial recognition of the receivables.

Therefore, the consolidated entity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The consolidated entity 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.

Note 1 Summary of material accounting policies (Continued)

1.16 Financial assets (Continued)

Impairment

(ii) Debt instruments other than trade receivables

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

ECLs are recognised in two stages:

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

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

1.17 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost unless or at fair value through profit or loss. All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs. The consolidated entity 's financial liabilities include trade and other payables.

Subsequent measurement

Financial liabilities at amortised cost

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

Note 1 Summary of material accounting policies (Continued)

1.18 Liabilities relating to contracts with customers

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the consolidated entity transfers the related goods or services. Contract liabilities include deferred income. Contract liabilities are recognised as revenue when the group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Refund liabilities

A refund liability is recognised for the obligation to refund some or all of the consideration received (or receivable) from a customer. The consolidated entity 's refund liabilities arise from customers' right of return. The liability is measured at the amount the group's ultimately expects it will have to return to the customer. The consolidated entity updates its estimates of refund liabilities (and the corresponding change in the transaction price) at the end of each reporting period.

1.19 Contingent liabilities and contingent assets

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

1.20 Land and buildings

Asset recognition threshold

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

Depreciation

Freehold land is not depreciated. Buildings are depreciated over 40 years.

Derecognition

Land and buildings are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

Note 1 Summary of material accounting policies (Continued)

1.21 Plant and equipment

Asset recognition threshold

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

Depreciation

Depreciable plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the diminishing value 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:

	2024	**2023**
Plant and equipment	3 years	3 years

Derecognition

An item of 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 plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

1.22 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is carried at cost less subsequent accumulated depreciation and accumulated impairment losses.

Depreciation

Freehold land is not depreciated. Investment buildings are depreciated over 40 years.

Derecognition

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of comprehensive income in the period in which the property is derecognised.

Note 1 Summary of material accounting policies (Continued)

1.23 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. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses. The useful life of consolidated entity intangible assets are:

	2024	**2023**
Intangibles	20 - 30%	20 - 30%

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 statement of comprehensive income when the asset is derecognised.

1.24 Impairment for non-financial assets

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

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

1.25 Taxation

The Australian Education Union Victorian Branch is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997. There still is an obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST). AEU Education Services Inc is a not-for-profit entity and is exempt from income tax.

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

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

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

Note 1 Summary of material accounting policies (Continued)

1.26 Fair value measurement

The consolidated entity measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15A.

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

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

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

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

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

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

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the consolidated entity has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 1 Summary of material accounting policies (Continued)

1.27 Going Concern

The consolidated entity does not receive any financial support to continue on an ongoing basis.

The consolidated entity has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

Note 2 Events after the reporting period

No other matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the Group, the results of those activities or the state of affairs of the Group in the ensuing or any subsequent financial year.

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$

Note 3 Revenue and income

Disaggregation of revenue from contracts with customers

A disaggregation of the entity's revenue by type of arrangements is provided on the face of the Statement of Comprehensive income. The table below also sets out a disaggregation of revenue by type of customer.

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Type of customer				
- members	**23,616,845**	23,980,288	**23,616,839**	23,980,279
Total revenue from contracts with customers	**23,616,845**	23,980,288	**23,616,839**	23,980,279

Disaggregation of income for furthering activities

A disaggregation of the entity's income by type of arrangement is provided on the face of the Statement of comprehensive income. The table below also sets out a disaggregation of income by funding source:

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Income funding sources				
- other parties	**253,403**	226,666	**-**	-
Total income for furthering activities	**253,403**	226,666	**-**	-

Note 3A: Levies

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Public Education Campaign Levy	**942,831**	980,947	**942,831**	980,947
Total levies	**942,831**	980,947	**942,831**	980,947

The purpose of the levy is to provide separate funding for public education campaign purposes. The levy is set at $25 for members employed 0.6 and above and $12.50 for members employed 0.5 or below.

Note 3B: Grants and donations

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Grants – government	**253,403**	226,666	**-**	-
Total grants and donations	**253,403**	226,666	**-**	-

Note 3C: Interest

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Bank Deposits	**360,040**	297,897	**360,040**	297,897
Total interest	**360,040**	297,897	**360,040**	297,897

Note 3 Revenue and Income (Continued)

Note 3D: Rental revenue

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Properties	**751,253**	690,877	**751,253**	690,877
Total rental revenue	**751,253**	690,877	**751,253**	690,877

Note 3E: Training revenue

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Course revenue	**51,570**	133,127	**-**	-
Total training revenue	**51,570**	133,127	**-**	-

Note 3F: Other revenue

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Revenue from undertaking recovery of wages activity	**-**	-	**-**	-
Financial support from another reporting unit	**-**	-	**-**	-
Reimbursements received	**102,089**	116,201	**160,541**	163,301
Bequest	**4,038**	2,657	**4,038**	2,657
Reimbursement received from AEU Federal Office	**37,001**	87,768	**37,001**	87,768
Other	**80,997**	69,315	**80,997**	69,315
Total other revenue	**224,125**	275,941	**282,577**	323,041

Note 4 Expenses

Note 4A: Employee expenses

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$
Holders of office:				
Wages and salaries	**1,733,699**	1,517,480	**1,733,699**	1,517,480
Superannuation	**262,080**	248,481	**262,080**	248,481
Leave and other entitlements	**(317,779)**	278,866	**(317,779)**	278,866
Separation and redundancies	**-**	-	**-**	-
Other employee expenses	**140,711**	150,921	**140,711**	150,921
Subtotal employee expenses holders of office	**1,818,711**	2,195,748	**1,818,711**	2,195,748
Employees other than office holders:				
Wages and salaries	**10,808,780**	11,549,402	**10,658,648**	11,404,302
Superannuation	**1,765,543**	1,873,728	**1,740,705**	1,850,094
Leave and other entitlements	**71,961**	77,305	**64,490**	87,294
Separation and redundancies	**-**	50,697	**-**	50,697
Other employee expenses	**1,247,796**	1,128,547	**1,241,302**	1,122,217
Subtotal employee expenses employees other than office holders	**13,894,080**	14,679,679	**13,705,145**	14,514,604
Total employee expenses	**15,712,791**	16,875,427	**15,523,856**	16,710,352

Note 4B: Capitation fees & Levies

	Consolidated		Parent	
	2024	2023	**2024**	2023
AEU Federal Office				
- Capitation fee	**1,605,447**	1,735,154	**1,605,447**	1,735,154
- Publication Levy – (A) Aust Educator	**158,357**	174,120	**158,357**	174,120
- Publication Levy – (B) TAFE Teacher	**7,965**	8,326	**7,965**	8,326
- Public Education Levy	**175,076**	192,048	**175,076**	192,048
- ACTU Subscriptions	**295,800**	314,478	**295,800**	314,478
- Education International	**121,735**	118,590	**121,735**	118,590
Total capitation fees & levies	**2,364,380**	2,542,716	**2,364,380**	2,542,716

Nature of fee & levies

Capitation Fee - Contribution to operating costs

Publication Levy (A) & (B) - Contribution to the cost of union magazine

Public Education Levy - Contribution to general campaigning issues

ACTU Subscriptions - Contribution to operating costs

Education International - Contribution to funding of overseas programs

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$

Note 4C: Affiliation fees

	2024 $	2023 $	**2024 $**	2023 $
Australia Asia Worker Links	**2,000**	-	**2,000**	-
Ballarat Trades Hall Council	**5,194**	5,012	**5,194**	5,012
Bendigo Trades Hall Council	**11,521**	11,392	**11,521**	11,392
Geelong Trades Hall Council	**8,298**	7,902	**8,298**	7,902
Gippsland Trades Hall Council	**13,606**	12,749	**13,606**	12,749
Goulburn Valley Trades Hall Council	**2,550**	2,400	**2,550**	2,400
North East Trades Hall Council	**4,715**	4,614	**4,715**	4,614
South West Trades Hall Council	**3,068**	3,000	**3,068**	3,000
Sunraysia Trades Hall Council	**780**	780	**780**	780
Victorian Trades Hall Council	**246,155**	234,723	**246,155**	234,723
Total affiliation fees	**297,887**	282,572	**297,887**	282,572

Note 4D: Administration expenses

	2024 $	2023 $	**2024 $**	2023 $
Accounting services & subscriptions	**31,437**	25,996	**29,492**	24,827
Bank fees and charges	**218,689**	195,463	**218,078**	194,212
Conferences and meeting expenses	**574,171**	555,689	**574,171**	555,689
Total paid to employers for payroll deductions of membership subscriptions	**-**	-	**-**	-
Contribution to AEU Federal Office – International Trust Fund	**182,250**	183,700	**182,250**	183,700
Fees/allowances - meeting and conferences	**10,471**	3,864	**10,471**	3,864
Information communications technology	**883,419**	763,755	**883,419**	763,755
Fleet management	**38,787**	-	**38,787**	-
Member Services	**234,073**	181,290	**234,073**	181,290
Member Services – campaigns	**686,571**	555,143	**686,571**	555,143
Office expenses	**19,731**	16,228	**19,731**	16,228
Others	**222,662**	232,177	**222,562**	232,177
Penalties - via RO Act or the Fair Work Act 2009	**-**	-	**-**	-
Property expenses - leased	**37,066**	68,164	**37,066**	68,164
Property expenses - owned	**1,044,704**	908,366	**1,044,704**	908,366
Publications & members communication	**964,853**	765,454	**964,853**	765,454
Total administration expenses	**5,148,884**	4,455,289	**5,146,228**	4,452,869

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$

Note 4E: Grants and donations

Grants:				
Total paid that were $1,000 or less	**-**	-	**-**	-
Total paid that exceeded $1,000	**90,000**	120,000	**90,000**	120,000
Donations:				
Total paid that were $1,000 or less	**11,029**	3,930	**11,029**	3,930
Total paid that exceeded $1,000	**23,050**	47,469	**23,050**	47,469
Total grants and donations	**124,079**	171,399	**124,079**	171,399

Note 4F: Depreciation and amortisation

Depreciation				
Property, plant and equipment	**1,070,639**	1,233,763	**1,070,639**	1,233,763
Total depreciation	**1,070,639**	1,233,763	**1,070,639**	1,233,763
Amortisation				
Intangibles	**70,074**	76,222	**70,074**	76,222
Total amortisation	**70,074**	76,222	**70,074**	76,222
Total depreciation and amortisation	**1,140,713**	1,309,985	**1,140,713**	1,309,985

Note 4G: Finance costs

Mortgage Loan	**-**	15,726	**-**	15,726
Lease interest – right-of-use assets	**96,769**	50,786	**96,769**	50,786
Total finance costs	**96,769**	66,512	**96,769**	66,512

Note 4H: Legal costs

Litigation	**1,061,425**	815,221	**1,061,425**	815,221
Other legal matters	**59,865**	65,292	**59,865**	65,292
Total legal costs	**1,121,290**	880,513	**1,121,290**	880,513

Note 4I: Training expenses

Facilitators & Presenters	**45,212**	129,795	**-**	-
Travel expenses	**-**	300	**-**	-
Venue Hire & Catering	**7,052**	6,560	**-**	-
Total training expenses	**52,264**	136,655	**-**	-

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$

Note 5 Current assets

Note 5A: Cash and cash equivalents

Cash at bank	**808,863**	1,597,959	**686,521**	1,558,351
Short term deposits	**1,178,273**	1,280,877	**1,178,273**	1,280,877
Total cash and cash equivalents	**1,987,136**	2,878,836	**1,864,794**	2,839,228

Note 5B: Trade and other receivables

Receivables from other reporting unit				
AEU Federal Office	**-**	117,516	**-**	117,516
Less allowance for expected credit losses	**-**	-	**-**	**-**
Receivable from other reporting unit	**-**	117,516	**-**	117,516
Other receivables:				
Other receivables	**1,420,286**	1,446,300	**1,420,303**	1,371,562
Total other receivables	**1,420,286**	1,446,300	**1,420,303**	1,371,562
Total trade and other receivables (net)	**1,420,286**	1,563,816	**1,420,303**	1,489,078

Note 5C: Other current assets

Prepayments	**786,284**	901,176	**785,326**	900,912

Note 5D: Other financial assets

Term deposits	**6,719,886**	6,702,335	**6,719,886**	6,702,335

Note 5E: Inventory

Inventory	**62,788**	86,575	**62,788**	86,575

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$

Note 6 Non-current assets

Note 6A: Land and buildings

Land and buildings:				
At cost	**17,897,788**	17,897,788	**17,897,788**	17,897,788
Accumulated depreciation and impairment	**(1,025,979)**	(769,484)	**(1,025,979)**	(769,484)
Total land and buildings	**16,871,809**	17,128,304	**16,871,809**	17,128,304

Reconciliation of the opening and closing balances of land and buildings

Net book value 1 January	**17,128,304**	17,384,799	**17,128,304**	17,384,799
Depreciation	**(256,495)**	(256,495)	**(256,495)**	(256,495)
Net book value 31 December	**16,871,809**	17,128,304	**16,871,809**	17,128,304

The property at 126 Trenerry Crescent Abbotsford is split in this financial report between land and buildings for own-use component and land and buildings for investment rental income component, the combined book value being $25,564,632 as at 31 December 2024. The property is not required by Accounting Standards to be revalued to market value. The property as a whole was appraised as at 31 December 2023 at between $30 million and $32 million by licensed estate agent Mr David Bourke of Fitzroys Pty Ltd. No material change has occurred in that appraisal to the date of this financial report.

Note 6B: Plant and equipment

Plant and equipment:				
at cost	**1,797,858**	1,782,266	**1,797,858**	1,782,266
accumulated depreciation	**(1,240,444)**	(1,072,963)	**(1,240,444)**	(1,072,963)
Total plant and equipment	**557,414**	709,303	**557,414**	709,303

Reconciliation of the opening and closing balances of plant and equipment

Net book value 1 January	**709,303**	972,673	**709,303**	972,673
Additions	**15,592**	21,672	**15,592**	21,672
Depreciation expense	**(167,481)**	(285,042)	**(167,481)**	(285,042)
Net book value 31 December	**557,414**	709,303	**557,414**	709,303

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$

Note 6 Non-current assets (Continued)

Note 6C: Right-of-use assets

Right-of-use assets:				
at cost	**3,067,797**	3,295,039	**3,067,797**	3,295,039
accumulated depreciation	**(1,951,555)**	(1,880,069)	**(1,951,555)**	(1,880,069)
Total right-of-use assets	**1,116,242**	1,414,970	**1,116,242**	1,414,970

Reconciliation of the opening and closing balances of right-of-use assets

Net book value 1 January	**1,414,970**	986,066	**1,414,970**	986,066
Net Additions	**221,602**	994,797	**221,602**	994,797
Depreciation expense	**(520,330)**	(565,893)	**(520,330)**	(565,893)
Net book value 31 December	**1,116,242**	1,414,970	**1,116,242**	1,414,970

Right-of-use assets consist of:

Offices	**178,874**	52,512	**178,874**	52,512
Equipment	**24,459**	48,919	**24,459**	48,919
Motor vehicles	**912,909**	1,313,539	**912,909**	1,313,539
	1,116,242	1,414,970	**1,116,242**	1,414,970

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$

Note 6 Non-current assets (Continued)

Note 6D: Investment property

Investment property:				
at cost	**8,815,327**	8,815,327	**8,815,327**	8,815,327
accumulated depreciation	**(505,332)**	(378,999)	**(505,332)**	(378,999)
Total plant and equipment	**8,309,995**	8,436,328	**8,309,995**	8,436,328
Opening balance as at 1 January	**8,436,328**	8,562,661	**8,436,328**	8,562,661
Depreciation	**(126,333)**	(126,333)	**(126,333)**	(126,333)
Closing balance as at 31 December	**8,309,995**	8,436,328	**8,309,995**	8,436,328

The Branch occupies 67% of the office space at 126 Trenerry Crescent Abbotsford VIC with 33% (2023: 33%) available for tenancy. As a result, 33% of the value of 126 Trenerry Crescent is classified as an investment property.

Amounts recognised in statement of comprehensive income for investment properties

Rental income	**751,253**	690,877	**751,253**	690,877
Direct operating expenses from property that generated rental income	**471,085**	426,094	**471,085**	426,094
Direct operating expenses from property that did not generate rental income	**-**	-	**-**	-

Note 6E: Intangibles

Information Technology Systems				
At cost	**3,096,625**	2,922,857	**3,096,625**	2,922,857
Accumulated amortisation	**(2,725,736)**	(2,655,662)	**(2,725,736)**	(2,655,662)
Total intangibles	**370,889**	267,195	**370,889**	267,195

Reconciliation of the opening and closing balances of intangibles

Net book value 1 January	**267,195**	142,902	**267,195**	142,902
Additions	**173,768**	200,515	**173,768**	200,515
Amortisation	**(70,074)**	(76,222)	**(70,074)**	(76,222)
Net book value 31 December	**370,889**	267,195	**370,889**	267,195

Note 7 Current liabilities

Note 7A: Trade payables

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Trade creditors and accruals	**247,083**	671,632	**247,083**	671,632
Legal costs – litigation	**9,573**	35,106	**9,573**	35,106
Legal costs – other matters	**6,049**	7,176	**6,049**	7,176
Subtotal trade creditors	**262,705**	713,914	**262,705**	713,914
Payables to other reporting unit				
AEU Federal Office	**-**	14,967	**-**	14,967
AEU New South Wales Teachers Federation (NSWTF)	**-**	390	**-**	390
	-	15,357	**-**	15,357
Total trade payables	**262,705**	729,271	**262,705**	729,271

Note 7B: Other payables

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Payable to employers for making payroll deductions of membership subscriptions	**-**	-	**-**	-
Prepayments received/unearned revenue	**139,452**	53,606	**139,452**	53,606
GST payable	**87,698**	113,943	**80,054**	108,275
FBT payable	**-**	28,289	**-**	28,289
PAYG payable	**-**	137,665	**-**	137,665
Other	**79,319**	70,078	**75,009**	65,782
Total other payables	**306,469**	403,581	**294,515**	393,617
Total other payables are expected to be settled in:				
No more than 12 months	**306,469**	403,581	**294,515**	393,617
More than 12 months	**-**	-	**-**	-
Total other payables	**306,469**	403,581	**294,515**	393,617

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$

Note 7 Current liabilities (Continued)

Note 7B: Other payables (Continued)

Contract balances

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
The following table provides information about receivables and contract liabilities from contracts with customers				
Membership receivables	**940,782**	804,729	**940,782**	804,729
Membership fees received in advance	**139,452**	53,606	**139,452**	53,606
Membership fees in advance represent advance consideration received from members.				
Significant changes in contract balances during the period are as follows:				
Revenue recognised that would include in the prepayments received/unearned revenue balances at beginning of period.	**53,606**	177,589	**53,606**	177,589
Increase due to cash received, excluding amounts recognised as revenue during the period	**(139,452)**	(53,606)	**(139,452)**	(53,606)

Note 7C: Right-of-use liabilities

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Current	**535,546**	427,710	**535,546**	427,710
Non-current	**654,714**	1,013,102	**654,714**	1,013,102
Total right-of-use liabilities	**1,190,260**	1,440,812	**1,190,260**	1,440,812

Note 7 Current liabilities (Continued)

Note 7C: Lease liabilities (Continued)

The movement of the carrying amounts of the lease liabilities associated with the right of use assets:

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
As at 1 January	**1,440,812**	924,420	**1,440,812**	924,420
Addition	**221,601**	994,797	**221,601**	994,797
Interest	**96,769**	50,786	**96,769**	50,786
Payments	**(568,922)**	(529,191)	**(568,922)**	(529,191)
As at 31 December	**1,190,260**	1,440,812	**1,190,260**	1,440,812

Note 8 Provisions

Note 8A: Employee provisions

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Office Holders:				
Annual leave	**299,211**	447,694	**299,211**	447,694
Long service leave	**301,202**	470,497	**301,202**	470,497
Separations and redundancies	**-**	-	**-**	-
Other	**-**	-	**-**	-
Subtotal employee provisions - office holders	**600,413**	918,191	**600,413**	918,191
Employees other than office holders:				
Annual leave	**1,162,934**	1,262,200	**1,152,096**	1,253,367
Long service leave	**2,082,153**	1,910,927	**2,064,140**	1,898,380
Separations and redundancies	**-**	-	**-**	-
Other	**-**	-	**-**	-
Subtotal employee provisions - employees other than office holders	**3,245,087**	3,173,127	**3,216,236**	3,151,747
Total employee provisions	**3,845,500**	4,091,318	**3,816,649**	4,069,938
Current	**1,462,145**	1,709,894	**1,451,308**	1,701,061
Non-current	**2,383,355**	2,381,424	**2,365,341**	2,368,877
Total employee provisions	**3,845,500**	4,091,318	**3,816,649**	4,069,938

Note 9 Members' Funds

Note 9A: Retained profits

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Retained earnings at start of year	**33,423,856**	34,564,007	**33,340,590**	34,485,973
(Loss) for the year	**(826,061)**	(1,140,151)	**(825,273)**	(1,145,383)
Retained earnings at end of year	**32,597,795**	33,423,856	**32,515,317**	33,340,590

Apart from those recorded in the financial statements, no specific funds or accounts have been operated as part of the Branch Fund in respect of compulsory levies or voluntary contributions. There is no transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity.

Note 10 Cash flow

Note 10A: Cash flow reconciliation

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cashflow Statement:				
Cash and cash equivalents as per:				
Cashflow statement	**1,987,136**	2,878,836	**1,864,794**	2,839,228
Statement of Financial Position	**1,987,136**	2,878,836	**1,864,794**	2,839,228
Difference	**-**	-	**-**	-

Note 10B: Cash flow reconciliation

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Reconciliation of (loss) to net cash from operating activities:				
(Loss) for the year	**(826,061)**	(1,140,151)	**(825,273)**	(1,145,383)
Adjustments for non-cash items				
Depreciation/amortisation	**1,140,713**	1,309,985	**1,140,713**	1,309,985
Changes in assets/liabilities				
Decrease (Increase) in net receivables	**143,530**	(110,029)	**68,775**	(110,235)
Decrease in inventories	**23,787**	3,332	**23,787**	3,332
Decrease in prepayments	**114,892**	618,508	**115,586**	618,629
(Decrease) Increase in supplier payables	**(649,524)**	176,973	**(651,514)**	178,747
Increase (Decrease) in other payables	**85,846**	(123,983)	**85,846**	(123,983)
(Decrease) Increase in employee provisions	**(245,818)**	264,149	**(253,289)**	274,137
Net cash from operating activities	**(212,635)**	998,784	**(295,369)**	1,005,229

Note 10 Cash flow (Continued)

Note 10C: Cash flow information

Cash flows to/from another reporting unit and/or controlled entity:

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Cash inflows - operating				
AEU Federal Office	**198,591**	39,334	**198,591**	39,334
AEU Education Services Inc	**-**	-	**68,327**	54,846
AEU SA Branch	**920**	-	**920**	-
Independent Education Union	**786**	-	**786**	-
Total cash inflows	**200,297**	39,334	**268,624**	94,180
Cash outflows - operating				
AEU Federal Office	**2,615,552**	2,814,777	**2,615,552**	2,814,777
AEU Federal Office – International Trust Fund	**200,475**	202,070	**200,475**	202,070
AEU New South Wales Teachers Federation (NSWTF)	**-**	975	**-**	975
AEU Education Services Inc	**-**	-	**390**	460
United Workers Union	**5,000**	-	**5,000**	-
Total cash outflows	**2,821,027**	3,017,822	**2,821,417**	3,018,282

Note 11 Contingent liabilities, assets and commitments

Note 11A: Commitments and contingencies

Operating lease commitments - as lessor

Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2024 are as follows:

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Within one year	**540,535**	509,715	**540,535**	509,715
After one year but not more than five years	**45,158**	1,110,081	**45,158**	1,110,081
After five years	**-**	-	**-**	-
	585,693	1,619,796	**585,693**	1,619,796

Capital commitments

At 31 December 2024 the entity has no significant capital commitments.

Other contingent assets or liabilities

Funding of Members legal fees

As part of its services provided to members the AEU – Victorian Branch funds certain legal cases on behalf of its members. Funding is approved in advance on a case by case basis. As the exact amount of related legal costs are unknown as at the year end, they are expensed when they are actually paid. The total amount of funding approved but not yet paid for as at 31 December 2024 is approximately $2.12M (2023: $2.54M).

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$

Note 12 Related party disclosures

Note 12A: Related party transactions for the reporting period

Subsidiaries

The group's principal subsidiaries at 31 December 2024 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the group, and the proportion of ownership interests held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

Name of entity	Country of incorporation	Principal activities	Group equity holding 2024	Group equity holding 2023
AEU Education Services Incorporated	Australia	Training	100%	100%

AEU Education Services Incorporated is an incorporated association (by definition has no share capital) which is controlled by the Branch as the Branch has practical influence it can exert on the appointment of members of the Incorporated Association.

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

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Income received:				
AEU Education Services Incorporated – Salary Reimbursement	**-**	-	**58,452**	47,100
Teacher Learning Network – Rent	**4,017**	2,040	**4,017**	2,040
AEU Federal Office – reimbursement received	**75,683**	136,292	**75,683**	136,292
Expenses paid:				
Teacher Learning Network – Grant	**90,000**	120,000	**90,000**	120,000
Teacher Learning Network – Conference Expenses	**-**	9,770	**-**	9,770
AEU Federal Office – Expense Reimbursements	**11,196**	35,664	**11,196**	35,664
AEU Federal Office – Contribution to International Trust Fund	**182,250**	183,700	**182,250**	183,700
AEU Federal Office – Capitation fees and levies	**2,364,380**	2,542,716	**2,364,380**	2,542,716

The Teacher Learning Network Incorporated is an association established and sponsored by the Australian Education Union – Victoria Branch and the Independent Education Union – Victoria/Tasmania to promote and deliver professional development for teachers for which the Secretary and Deputy Secretary of the Australian Education Union are amongst the Association's office-bearers. The incorporated association is not considered to be a controlled entity and, therefore, is not a subsidiary for consolidation purposes.

Note 12 Related party disclosures (Continued)

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

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Short-term employee benefits				
Salary (including annual leave taken)	**1,020,666**	1,459,360	**1,020,666**	1,459,360
Annual leave accrued	**225,958**	197,778	**225,958**	197,778
Other	**140,711**	150,921	**140,711**	150,921
Total short-term employee benefits	**1,387,335**	1,808,059	**1,387,335**	1,808,059
Post-employment benefits:				
Superannuation	**262,080**	248,481	**262,080**	248,481
Total post-employment benefits	**262,080**	248,481	**262,080**	248,481
Other long-term benefits:				
Long-service leave	**169,296**	139,208	**169,296**	139,208
Total other long-term benefits	**169,296**	139,208	**169,296**	139,208
Termination benefits	**-**	-	**-**	-
Total	**1,818,711**	2,195,748	**1,818,711**	2,195,748

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

There were no transactions with key management personnel and their close family members.

Note 12D: Former related party

There were no payments made to a former related party of the reporting unit.

Note 12E: Financial affairs

There is not another entity that administers the financial affairs of the reporting unit.

Note 13 Remuneration of auditors

	Consolidated 2024 $	Consolidated 2023 $	Parent 2024 $	Parent 2023 $
Value of the services provided				
Current auditor				
Financial statement audit services	**20,780**	19,680	**20,780**	19,680
Other auditors				
Financial statement audit services	**3,450**	3,320	**-**	-
Audit of VEC return	**-**	879	**-**	879
Total remuneration of auditors	**24,230**	23,879	**20,780**	20,559

Note 14 Financial instruments

The group's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The group uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and ageing analysis for credit risk.

Risk management is carried out by management under policies approved by the Committee of Management. The Committee of Management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

Note 14A: Categories of financial instruments

	Consolidated		Parent	
	2024	2023	**2024**	2023
	$	$	**$**	$
Financial assets				
Cash and cash equivalents	**1,987,136**	2,878,836	**1,864,794**	2,839,228
Other financial assets – term deposits	**6,719,886**	6,702,335	**6,719,886**	6,702,335
Trade and other receivables	**1,420,286**	1,563,816	**1,420,303**	1,489,078
Total	**10,127,308**	11,144,987	**10,004,983**	11,030,641
Carrying amount of financial assets	**10,127,308**	11,144,987	**10,004,983**	11,030,641
Financial liabilities				
Trade and other payables	**569,174**	1,132,852	**557,220**	1,122,888
Borrowings	**1,190,260**	1,440,812	**1,190,260**	1,440,812
Total	**1,759,434**	2,573,664	**1,747,480**	2,563,700
Carrying amount of financial liabilities	**1,759,434**	2,573,664	**1,747,480**	2,563,700

Note 14 Financial instruments (Continued)

Note 14B: Credit risk

Credit risk is the risk of financial loss to the Union if a member or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Union's receivables from members and investment securities.

The group has no significant concentration of credit risk with any single courter party or group of counter parties. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed at Note 5B. There is no collateral held by the group securing trade and other receivables. The group does not have any material credit risk exposure to any single receivable or group of receivables under financial instruments entered into by the group. The trade receivables balance at 31 December 2024 and 31 December 2023 do not include any counter parties with external credit ratings.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved Union policy. Such policy requires that surplus funds are only invested with counterparties with a Standard and Poor's rating of at least AA-.

Note 14C: Liquidity risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk by maintaining adequate reserves and banking facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and financial liabilities.

The tables below reflect an undiscounted contractual maturity analysis for financial liabilities. The group does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect the Committee of Management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflect the earliest contractual settlement dates.

Contractual maturities for financial liabilities 2024 - Consolidated

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	569,174	-	-	-	-	569,174
Borrowings	-	535,546	616,602	38,112	-	1,190,260
Total	**569,174**	**535,546**	**616,602**	**38,112**	**-**	**1,759,434**

Maturities for financial liabilities 2023 - Consolidated

	On demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	1,132,852	-	-	-	-	1,132,852
Borrowings	-	427,710	825,641	187,461	-	1,440,812
Total	1,132,852	427,710	825,641	187,461	-	2,573,664

Note 14 Financial instruments (Continued)

Note 14C: Liquidity risk (Continued)

Contractual maturities for financial liabilities 2024 - Parent

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	**557,220**	**-**	**-**	**-**	**-**	**557,220**
Borrowings	**-**	**535,546**	**616,602**	**38,112**	**-**	**1,190,260**
Total	**557,220**	**535,546**	**616,602**	**38,112**	**-**	**1,747,480**

Maturities for financial liabilities 2023 - Parent

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	$	$	$	$	$	$
Trade and other payables	1,122,888	-	-	-	-	1,122,888
Borrowings	-	427,710	825,641	187,461	-	1,440,812
Total	1,122,888	427,710	825,641	187,461	-	2,563,700

Note 14D: Market risk

Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cashflows or the fair value of fixed rate financial instruments. The financial instruments that expose the Group to interest rate risk are limited to borrowings, cash and cash equivalents.

Sensitivity analysis of the risk that the parent entity is exposed to for 2024

	Change in risk variable	Effect on	
		Profit & loss	Equity
	%	$	$
Financial Assets			
Interest rate risk	+2	171,694	171,694
Interest rate risk	-2	(171,694)	(171,694)
Financial Liabilities			
Interest rate risk	+1	11,903	11,903
Interest rate risk	-1	(11,903)	(11,903)

Note 14 Financial instruments (Continued)

Note 14D: Market risk (Continued)

Sensitivity analysis of the risk that the parent entity is exposed to for 2023

	Change in risk variable	Effect on Profit & loss	Effect on Equity
Financial Assets	%	$	$
Interest rate risk	+2	+190,831	+190,831
Interest rate risk	-2	- 190,831	- 190,831
Financial Liabilities			
Interest rate risk	+1	-14,408	-14,408
Interest rate risk	-1	+14,408	+14,408

Note 15 Fair value measurements

Note 15A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. The fair value measurement of non-financial assets has been determined on the highest and best use of that asset. The management of the reporting unit have assessed that as the reporting unit currently uses the non-financial assets in their highest and best use, the fair value of those non-financial assets would approximate their carrying amounts.

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

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at 31 December 2024 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2024 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the consolidated entity financial assets and liabilities:

	Carrying amount 2024	**Fair value 2024**	Carrying amount 2023	Fair value 2023
Consolidated	**$**	**$**	$	$
Financial Assets				
Cash & cash equivalents	**1,987,136**	**1,987,136**	2,878,836	2,878,836
Other financial assets – term deposits	**6,719,886**	**6,719,886**	6,702,335	6,702,335
Trade & other receivables	**1,420,286**	**1,420,286**	1,563,816	1,563,816
Total	**10,127,308**	**10,127,308**	11,144,987	11,144,987
Non-financial Assets				
Land & buildings	**25,181,804**	**25,181,804**	25,564,632	25,564,632
Plant & equipment	**1,673,656**	**1,673,656**	2,124,273	2,124,273
Other non-current Assets	**370,889**	**370,889**	267,195	267,195
Total	**27,226,349**	**27,226,349**	27,956,100	27,956,100
Financial Liabilities				
Trade & other payables	**569,174**	**569,174**	1,132,852	1,132,852
Lease liabilities	**1,190,260**	**1,190,260**	1,440,812	1,440,812
Total	**1,759,434**	**1,759,434**	2,573,664	2,573,664

Note 15 Fair value measurements (Continued)

Note 15A: Financial assets and liabilities (Continued)

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

	Carrying amount 2024	**Fair value 2024**	Carrying amount 2023	Fair value 2023
Parent	**$**	**$**	$	$
Financial Assets				
Cash & cash equivalents	**1,864,794**	**1,864,794**	2,839,228	2,839,228
Other financial assets – term deposits	**6,719,886**	**6,719,886**	6,702,335	6,702,335
Trade & other receivables	**1,420,303**	**1,420,303**	1,489,078	1,489,078
Total	**10,004,983**	**10,004,983**	11,030,641	11,030,641
Non-financial Assets				
Land & buildings	**25,181,804**	**25,181,804**	25,564,632	25,564,632
Plant & equipment	**1,673,656**	**1,673,656**	2,124,273	2,124,273
Other non-current assets	**370,889**	**370,889**	267,195	267,195
Total	**27,226,349**	**27,226,349**	27,956,100	27,956,100
Financial Liabilities				
Trade & other payables	**557,220**	**557,220**	1,122,888	1,122,888
Lease liabilities	**1,190,260**	**1,190,260**	1,440,812	1,440,812
Total	**1,747,480**	**1,747,480**	2,563,700	2,563,700

Note 15 Fair value measurements (Continued)

Note 15B: Fair value hierarchy

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

Fair value hierarchy - Consolidated 31 December 2024

	Level 1	Level 2	Level 3
Assets measured at fair value	**$**	**$**	**$**
Cash & cash equivalents	**1,987,136**	**-**	**-**
Other financial assets – term deposits	**6,719,886**	**-**	**-**
Trade & other receivables	**1,420,286**	**-**	**-**
Total	**10,127,308**	**-**	**-**
Non-financial Assets			
Land & buildings	**-**	**25,181,804**	**-**
Plant & equipment	**-**	**1,673,656**	**-**
Other non-current assets	**-**	**370,889**	**-**
Total	**-**	**27,226,349**	**-**
Liabilities measured at fair value			
Trade & other payables	**569,174**	**-**	**-**
Lease liabilities	**1,190,260**	**-**	**-**
Total	**1,759,434**	**-**	**-**

Fair value hierarchy - Consolidated 31 December 2023

	Level 1	Level 2	Level 3
Assets measured at fair value	**$**	**$**	**$**
Cash & cash equivalents	2,878,836	-	-
Other financial assets – term deposits	6,702,335	-	-
Trade & other receivables	1,563,816	-	-
Total	11,144,987	-	-
Non-financial Assets measured at fair value			
Land & buildings	-	25,564,632	-
Plant & equipment	-	2,124,273	-
Other non-current assets	-	267,195	-
Total	-	27,956,100	-
Liabilities measured at fair value			
Trade & other payables	1,132,852	-	-
Lease liabilities	1,440,812	-	-
Total	2,573,664	-	-

Note 15 Fair value measurements (Continued)

Note 15B: Fair value hierarchy (Continued)

Fair value hierarchy – Parent 31 December 2024	Level 1	Level 2	Level 3
Assets measured at fair value	**$**	**$**	**$**
Cash & cash equivalents	**1,864,794**	**-**	**-**
Other financial assets – term deposits	**6,719,886**		
Trade & other receivables	**1,420,303**	**-**	**-**
Total	**10,004,983**	**-**	**-**
Non-financial assets measured at fair value			
Land & buildings	**-**	**25,181,804**	**-**
Plant & equipment	**-**	**1,673,656**	**-**
Other non-current assets	**-**	**370,889**	**-**
Total	**-**	**27,226,349**	**-**
Liabilities measured at fair value			
Trade & other payables	**557,220**	**-**	**-**
Lease liabilities	**1,190,260**	**-**	**-**
Total	**1,747,480**	**-**	**-**

Fair value hierarchy – Parent 31 December 2023	Level 1	Level 2	Level 3
Assets measured at fair value	**$**	**$**	**$**
Cash & cash equivalents	2,839,228	-	-
Other financial assets – term deposits	6,702,335		
Trade & other receivables	1,489,078	-	-
Total	11,030,641	-	-
Non-current assets measured at fair value			
Land & buildings	-	25,564,632	-
Plant & equipment	-	2,124,273	-
Other non-current assets	-	267,195	-
Total	-	27,956,100	-
Liabilities measured at fair value			
Trade & other payables	1,122,888	-	-
Lease liability	1,440,812	-	-
Total	2,563,700	-	-

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

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

Information to be provided to members or 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).

Eddy Partners
Accountants

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Independent Auditor's Report
to the Committee of Management and
Members of the Australian Education Union Victorian Branch
General Purpose Financial Report – Year Ended 31st December 2024

Report on the Audit of the Financial Report

Opinion

We have audited the accompanying General Purpose Financial Report of the Australian Education Union Victorian Branch ("the Registered Organisation") including its controlled entities, such report comprising of Statement of Financial Position as at 31st December 2024, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended together with Notes to the Financial Statements, Committee of Management Statement and subsection 255(2A) report.

In our opinion, the accompanying General Purpose Financial Report presents fairly, in all material respects, the financial position of the Registered Organisation as at 31st December 2024 and its financial performance, changes in equity, and cash flows for the year ended on that date in accordance with –

(a) 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").

We declare that the Committee of Management's use of the going concern basis in the preparation of the financial report of the Registered Organisation is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Partners:
Stephen J. Eedy CPA
Suzanne J. Eddy CPA

Audit Independence

We are independent of the Registered Organisation 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 our audit of the financial report in Australia. We have also complied with and fulfilled all applicable independence requirements and other ethical responsibilities in accordance with the Code and the RO Act.

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

The Committee of Management is responsible for the other information. The other information comprises the information included in the annual report of the Registered Organisation for the year ended 31st December 2024 and includes the Operating Report. Our opinion on the financial report does not cover the other information and accordingly we do not express any opinion or any form of assurance conclusion thereon.

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

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Registered Organisation is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the requirements of the RO Act and for such internal controls as the Committee of Management determines 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 ability of the Registered Organisation to continue as a going concern and 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 Registered Organisation or to cease operations or have no realistic alternative but to do so. The Committee of Management is responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility 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 our 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 Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations and/or the override of internal controls.

We 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 internal controls of the Registered Organisation.

We evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.

We conclude on the appropriateness of the Committee of Management's use of the going concern basis of accounting and, based on the evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Registered Organisation to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial report or if such disclosures are inadequate to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors report. However future events or conditions may cause the Registered Organisation to cease to continue as a going concern.

We 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.

We obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Registered Organisation to express an opinion on the financial report. We are responsible for the direction, supervision, and performance of the audit of the Registered Organisation. We remain solely responsible for our audit opinion.

We 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 we identify during our audit.

We declare that the auditor is an Approved Auditor registered under the RO Act, a member of CPA Australia, and the holder of a current Public Practising Certificate.

Eddy Partners
Accountants and Auditors
Certified Practising Accountants
Level 2, 541 King Street, West Melbourne, Victoria

Stephen Eedy B.Com CPA
Registered Company Auditor – No. 165946
Registered Organisations Approved Auditor AA2017/83
Holder of a Current Public Practice Licence - CPA Australia - Membership No. 1408419

Melbourne 20th May 2025