AUSTRALIAN EDUCATION UNION
VICTORIAN BRANCH
AND CONTROLLED ENTITIES

ABN: 44 673 398 674

Financial Report For The Year Ended 31 December 2020

AEU Victoria
126 Trenerry Crescent, Abbotsford VIC 3067

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OPERATING REPORT

Review of principal activities and results of operations

The AEU is a professional and industrial organisation, registered under the Fair Work (Registered Organisations) Act 2009, representing teachers and other education workers in public early childhood education centres, schools, TAFE institutes, AMES and disability centres across Victoria. The AEU is a democratic, federated structure with the Victorian Branch based in Abbotsford, Melbourne.

The primary objective of the AEU is to represent the professional and industrial interests of its members and to promote and defend Victoria's high quality public education system. We do this by enacting strategies and campaigns which enhance the working conditions, living standards and professional rights of members and the learning environment of students attending early childhood education centres, public schools, TAFE institutes, AMES and disability centres.

The AEU is a democratic, membership-focused organisation, always aiming to act in the best interests of members and the public education system. The union at all levels operates on principles of effective, transparent governance and strong leadership, providing an effective voice for the education profession in Victoria.

The principal activities of the AEU Victorian Branch during the 2020 financial year had a particular focus on the COVID-19 pandemic and its impact on the education sector, however we have continued to focus on the achievement of the following strategic objectives:

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 principal activities of the AEU Victorian Branch during the financial year have focussed on the achievement of these strategic objectives.

The major activities of the AEU during the period were responding to the impact of the COVID-19 pandemic on public education and supporting our members to navigate everything that the pandemic presented; campaigning for public education in the early childhood, school and TAFE and Adult Provision (TAP) sectors; and working with the AEU nationally on national assessment and reporting issues.

AEU members have stepped up in 2020 across every sector. The dedication, resourcefulness and capacity to adapt has been extraordinary. If there is one upside to what has been an enormously challenging time, it's that we have demonstrated to government and the wider community what we already knew – that educators are among the country's most valuable and essential workers, and that our work is highly skilled, incredibly complex and (as parents now know) all too often exhausting.

So much of what has been exposed during this COVID-19 year adds evidence and impetus to our industrial and political campaigns. At a federal level, the lack of investment and respect shown for public education by the Morrison government in 2020 was no less than disgraceful. In its so-called 'Jobs, Jobs, Jobs' budget, the federal Coalition government failed to once mention the central role of TAFE in building a skilled workforce; there was no ongoing funding for four-year-old kinder (and nothing for three-year-olds); disability workers continued to face growing levels of job insecurity; and public school funding remains inadequate and grossly unfair.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

Of course, we did not need a pandemic to identify the levels of disadvantage in public education, they were already starkly visible. Research commissioned by AEU Federal identified the digital divide in Australia in terms of public school students and their families and access to the internet and ICT. This included the staggering statistic that 21% of Aboriginal Torres Strait Islander students do not have internet access at home. In addition, educators are increasingly on the frontline of managing an emerging and growing youth mental health crisis.

The COVID-19 pandemic also highlighted workload as a major issue for all the sectors we represent. The AEU advocated for support, especially when education settings had to transition to remote learning or a return to onsite learning. We were able to secure the allocation of pupil free days to support staff in schools to transition, although this was unfortunately not applied across all sectors, including in early childhood, special schools and regional and rural settings.

There was a significant focus on arrangements for senior secondary students undertaking the Victorian Certificate of Education (VCE) and the Victorian Certificate of Applied Learning (VCAL). The AEU advocated to ensure that both individual students and cohorts of students in particular schools should be given consideration of disadvantage in relation to COVID-19 as well as ensuring that the impact of COVID-19 on staff workloads was taken into consideration in decisions by the Department of Education (DET)and the Victorian Curriculum and Assessment Authority (VCAA).

THE VCAA announced that every Victorian student would be assessed as to whether their final results were adversely impacted by COVID-19. To support the impact on VCE staff workloads, a range of measures were put in place including reducing course content and delaying the scheduled final exam period.

The early childhood sector was able to access a kinder relief package, with $1.6 million in grants to assist with school readiness programs, online play-based activities, the waiving of kinder fees for families and online PD for staff on transition programs.

The impact on the disability sector was and continues to be adverse. Members were stood down, made redundant or had their duties changed. With no access to either JobKeeper or JobSeeker payments in many instances, many members were left financially vulnerable and their clients, some of the most vulnerable in our community, left without the support and care they needed.

The 2019 catastrophic bushfires, the COVID-19 pandemic and rising anxiety about the future of work has created a perfect storm when it comes to the mental health of our young people – and evidence shows the complexity of student needs, staffing shortages and disadvantage are magnified in remote and regional settings. The Victorian government provided schools with an additional $28.5 million to ensure students could receive more mental health support. However there is much more to be done in regards to health and wellbeing for both students and staff across all education settings.

The year 2020 showed the many members from every sector – staff, principals, sub-branch representatives and health and safety officers – went above and beyond during 2020, from managing COVID-19 cases at the local level, safety plans, and OHS and DET guidelines and supporting vulnerable families, on top of juggling on-site and remote provision.

Even during a pandemic and despite our appropriate strong focus in this area, campaign work, in a different form largely focused on social media and online forums, continued.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

In early childhood, the focus specifically at the state level was on achieving new industrial agreements on pay and conditions for teachers and educators. Negotiations that commenced in 2019 were interrupted by COVID-19 lockdowns but did continue online. Campaign activities also had to be adjusted due to community lockdowns and restrictions being in place for COVID-19. AEU members lobbied state members of parliament by organising online meetings and utilising social media platforms to discuss with them their concerns about workload and its impact on the quality education and care they are able to provide to children in preschools, as well as highlighting the low pay levels for educators and the disparity in salary levels between teachers in schools and preschools, which leads to both workforce attraction and retention problems.

This work was backed by external research commissioned by the AEU Victorian Branch. The Australian Council of Educational Research completed the 'Early Childhood Education Staff Workload Study' in late 2019 and the results were utilised in 2020 by AEU members and leadership in lobbying members of parliament in meetings and on social media, as well as by leadership in prosecuting our case in negotiations.

A Heads of Agreement between all parties was reached late in 2020 which delivered significant pay rises for early childhood staff along with significant funding and clauses to address workload concerns.

The AEU continued to campaign for the Federal Government to commit to ongoing funding for Universal Access to fifteen hours of preschool delivered by a qualified teacher for all four-year-olds and the introduction of federal funding for preschool education for all 3-year-olds.

The Preschool Funding Now campaign was active early in the year in securing a funding commitment from the Morrison government for the National Partnership Agreement for Universal Access to Early Childhood Education for four-year-olds in the 2020 budget, providing funding to early childhood education for another year, 2021. However, there continues to be no commitment to ongoing funding certainty by the Commonwealth, despite significant community support for this issue.

The AEU has joined the Thrive by Five campaign which brings together a broad range of community organisations and unions working together to achieve the objective of ensuring that early childhood development is on the national political agenda and the agenda of every state and territory government in Australia.

The inequality in school funding continued to be a campaign focus. The AEU Victorian Branch continued to participate in the Fair Funding Now! campaign to highlight the failure of the Federal Government to provide fair recurrent and capital funding to public schools. The priorities of the campaign are to ensure all schools are resourced to at least 100 per cent of the Schooling Resource Standard (SRS); establishing a capital fund for public schools to upgrade classrooms and facilities; and providing more support for students with disability.

The AEU has campaigned at the state and federal level for many years for increased funding for students with a disability. In November 2020 this campaigning came to fruition with the state government announcing in their 2020/2021 Victorian Budget that they would invest nearly $1.6 billion to increase support for students with disability to be supported in the classroom. It is expected this will double the number of students receiving support in public schools by 2025.

Due to COVID-19, campaign activities had a strong focus online and through social media. We were successful in gaining strong media interest as well as implementing member and supporter led campaigns, utilising research that was conducted throughout 2020 by the AEU, including:

- The federal State of our Schools survey conducted in April/May 2020 which highlighted the impact of the pandemic on workload, the need for additional resources to address enrolment growth and the underfunding of the SRS by the federal government, the additional funding needs of students with disability, NAPLAN and the need for additional support for graduate teachers.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

- External research commissioned by the AEU on recurrent school funding and capital school funding which confirmed that Australian public schools will miss out on $19 billion in funding over the next four years, as the sector was again completely overlooked in the budget, while private schools continue to be overfunded by $1 billion – a gap that is nothing less than a national disgrace.
- external research commissioned which identified the digital divide in Australia in terms of public school students and their families and access to the internet and ICT. This was timely research given COVID-19, lockdowns and students learning remotely.

On Public Education Day 2020, prominent people provided videos and blogs that were shared by thousands of people. The full day of social media had a reach on Twitter and Facebook in the millions. As well as the public presence online and in the media, we have also continued to lobby state and federal politicians on a regular basis.

Following Public Education Day, AEU Victorian Branch members participated in a series of AEU national webinars, both as presenters and attendees. Topics covered included recurrent funding, capital funding, and how the broader political and economic environment is shaping the education debate. The webinars were well attended and were subsequently posted online.

A thorough review of our campaigning over the past few years and, in particular, our Federal election campaign, was also undertaken in 2020 by the federal office. AEU Victorian Branch members, supporters and union organisers as well as leadership participated in the review of our campaigning over the past three years. Public polling consistently shows the public is concerned about fair funding for schools and the issue is high on the issues of voters including union members both at a national and at state level.

This review found the school funding campaign is hugely important to AEU members and education is a major issue of concern to both members and supporters. School funding was influential on member and supporter voting intentions and there was a high level of activism and engagement in the campaign. However, there were some areas of improvement identified, and those reflections are being taken into consideration in terms of creating the next phase of the campaign.

A major focus of our activities in the schools sector during 2020 was the planning for the commencement of negotiations for a new Victorian Government Schools Agreement (VGSA), to replace the existing VGSA 2017 due to expire in April 2021. A key part of this was the member led development of the Log of Claims. The AEU worked closely with AEU sub-branches in schools to provide them with the opportunity to raise issues and/or clauses they wanted to include/change to address their concerns at the workplace level. These proposals then went forward through AEU decision making bodies at the regional and central level, with the final Log of Claims served on the DET Secretary in September 2020. The dominant issue in the Log was to address excessive workload for teachers, principals and education support staff. Negotiations commenced in December 2020. The AEU is developing a broad ranging campaigning and communications plan to support the negotiations and to deliver a new agreement recognising the need for fair and reasonable salaries and conditions outcomes.

Also in the school sector, the campaign against NAPLAN continued. Despite students not sitting their NAPLAN tests in 2020, teachers continued to assess student progress throughout the year, providing ongoing updates to parents about student progression, and demonstrating clearly how timely and valuable assessment information can be provided without high stakes testing.

The NAPLAN review report, undertaken by the QLD, NSW, ACT and Victorian governments was released on Friday 28 August 2020. It made a series of recommendations that disappointingly, provide little hope that the proposed new Australian National Standardised Assessment (ANSA) will be any better than the incredibly flawed and damaging NAPLAN system it is proposed to replace. We will continue to lobby the state government and engage in federal campaigning opportunities to see significant changes in the national testing program.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

The review recommendations fail to address the key issues which teachers and principals have identified with NAPLAN, in particular the high stakes nature of the test. We know that NAPLAN doesn't properly assess student academic ability, it derails the teaching of the curriculum and puts enormous pressure on students with little direct benefit to their learning. The report confirmed the need to continue campaigning on an alternate to NAPLAN.

The AEU Victorian Branch continued to participate in the national Stop TAFE Cuts! Campaign. During 2020 research was undertaken to inform the next phase of the national TAFE funding campaign in the lead up to the next federal election. That research included focus groups with the TAFE Executive, TAFE members and the general public, as well as online research.

The major focus of the TAFE campaign going forward will be to secure a guarantee from all major political parties of a minimum of 70 per cent of all government funding for vocational education for TAFE, increase infrastructure and workforce investment and to abolish the government policy settings of contestable funding, marketisation and privatisation.

The AEU conducted the national State of our TAFEs survey of over 1,400 AEU members in late 2019 and early 2020. The survey found that TAFE teachers are working above their contracted hours, the pace or intensity of their work has increased in the last three years and their current workload is unmanageable. The results of the survey were used to generate media around issues of teacher workload, course closure and the impact of funding shortfalls on TAFE provision.

The annual National TAFE Day gave us a great campaign opportunity to highlight the value of TAFE and why TAFE will be vital in the recovery out of COVID-19. Remote meetings were held with several Federal MP's to discuss their commitment to funding TAFE.

The Australia Institute's Centre for Future Work zoom forum on Why TAFE is critical to economic recovery, was held on national TAFE Day. The Centre for Future Work released a report on the day, which outlined the economic benefits of investing in TAFE. Over 500 participants attended to hear the author of the report, Alison Pennington, alongside ACTU President Michell O'Neill and AEU federal president Correna Haythorpe discuss the importance of TAFE and the need for greater government investment.

The AEU also continued voicing our significant concerns and campaigning about the financial viability of many of Victoria's TAFE Institutes. We utilised a Megaphone petition to call for further financial support to be provided to TAFE during the pandemic. The Andrews government extended the free TAFE places announced in 2019 and a funding package of $163 million to offset some of the financial impact of lost enrolments due to COVID-19. These short term measures were welcome, however until there is a deep commitment at all levels of government to ensure adequate TAFE funding is provided, and the removal of contestable funding policy, our campaigning efforts will continue.

The AEU Victorian Branch has worked with AEU Federal and AEU Branches and members, to improve the professional status of teaching and other education workers in all sectors. We have campaigned for these objectives through advocacy and support for high standards of entry to, and rigorous courses of, Initial Teacher Education, professional standards for school teachers and principals, professional autonomy for teachers, the introduction of professional teaching qualifications for TAFE teachers as well as for further recognition through improved remuneration, enhanced career structures and addressing workload for teachers and education workers generally.

OPERATING REPORT (Continued)

Results of activities

The AEU Federal post-2019 election review of our campaigning over the past three years found that the school funding campaign is hugely important to AEU members and education is a very major issue of concern to both members and supporters. During 2020 the AEU has successfully raised the awareness of members, politicians at both the federal and state level, and the public of the impact on public schools and students of the unfair and inequitable school funding policies of the federal government through campaigning, commissioning research and lobbying political parties. *Public polling continually shows the public is concerned about* fair funding for schools.

The work we have been involved in during the year has informed the planning for the next phase of the campaign including the launching of a new school funding campaign brand and preparing for the federal election campaign period. A first high priority is securing policy commitments from political parties.

The TAFE funding campaign has successfully achieved a broad understanding of the economic and social benefits of TAFE and the role VET and TAFE needs to play as the economy rebuilds post COVID-19. Support for increased funding for TAFE and recognition of its critical role as the public provider is building, with community and industry trust for TAFE being high. The AEU Victorian Branch's participation in the state government review 'Skills for Victoria's Growing Economy' in 2020 highlighted the need for further investment in TAFE from both the federal and state governments, as well as developing a more cohesive VET sector in Victoria.

Our ongoing campaigning at the state level has seen the state government provide ongoing funding for Free TAFE, as well as much needed new and upgraded facilities. Whilst the underpinning contestable funding policy has not been changed, there has been a strong focus in state government initiatives on TAFE as the centre of the vocational system which has seen ongoing increases in enrolments in TAFE.

The campaign for universal preschool education for all four-year-old and three-year-old children has resulted in greater awareness of the funding shortfall for Universal Access and increased engagement of the preschool community in the campaign. The importance of preschool education is now widely understood and supported and the number of community organisations calling for on-going funding has increased. The Federal Government committed to funding Universal Access for four-year-old children for a further year in 2021. The Victorian state government is well underway with the rollout of fifteen hours of preschool for all three-year-olds announced in 2019, with new facilities being constructed, and individuals taking up the opportunity to become educators and teachers through the scholarship scheme.

Throughout the financial year the AEU has successfully enhanced and supported the professional status of AEU members in public education through professional development and training and conferences, many of which were successfully moved online due to the impact of COVID-19. It is notable that we were able to reach many members online who had previously found it more difficult to attend face to face professional development, forums and meetings. This experience will inform our work in the future as we resume more 'normal' working arrangements in 2021. We have also had representation of members on professional bodies and to employers; and made submissions and appearances before both state and federal inquiries.

Submissions made by the AEU in 2020

- Submission to the Victorian Parliament's Public Accounts and Estimates Committee I*nquiry into the Victorian Auditor-General's report no.253: Managing School Infrastructure (2017)*
- Submission to the *Review of NAPLAN*
- Submission to the *Inquiry into the Victorian Government's response to the COVID-19 pandemic*
- Submission to the *Inquiry into Access to TAFE for Learners with Disability*
- Submission to the *Skills for Victoria's Growing Economy Review* (Macklin Review)
- Submission to the *Review of the National Architecture for Schooling* in Australia

Significant changes in financial affairs

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

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 2020 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	
AMES Lily	
AULICH Erin	
BURTON Tanya	
D'ORTENZIO Marino	
EDWARDS Krystyna	From 1/01/2020
FISCHER Debra	
GILLESPIE Elaine	
HARRIS Justin	
HOLLEY Seir	
HONDA Hanae	From 1/01/2020
HUMPHRIES Ann (Jessie)	
JOHNSTON Wayne	
JONES Craig	From 1/01/2020
KOLBER Jemina	
MASIERO Antoinette	Until 31/12/2020
MENZ Martel	Until 20/11/2020
MULLALY Justin	
NIGHTINGALE Cara	
PACE Michael	From 1/01/2020
PEACE Meredith	
PONTIKIS Mary-Anne	
RATJE Heidi	Until 31/12/2020
SMITH Wayne	Until 31/12/2020
SMITH Phillip	
STOKES Briley (formerly Briley Duncan)	
TENSON Katrina	

NOTE: The term of office for Rebekah Fewkes and Vivien Slatter ended on 31 December 2019. The change came into effect on 1 January 2020.

NAME	
FEWKES Rebekah	Until 31/12/2019
SLATTER Vivien	Until 31/12/2019

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 Superannuation Board (Victoria).

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
Christine Stewart (until 30 June 2020)

Both were directors of VicSuper. The merger between VicSuper and First State Super (now called Aware Super) was completed 1 July 2020. Antoinette Masiero continues as a director of the Aware Super Board - VicSuper division.

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 48,972 (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 87.3.

Signature of designated officer E.Aulich

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

Dated: 17/05/2021

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 31 December 2020

On 17 May 2021 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 2020:

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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

   (vi) where any order for inspection of financial records has been made by the 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: 17/05/2021

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITIES

ABN: 44 673 398 674

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 December 2020

	Notes	Consolidated 2020 $	Consolidated 2019 $ Restated *	Parent 2020 $	Parent 2019 $
Revenue from contracts with customers	3				
Membership subscription		**24,731,382**	23,415,370	**24,731,369**	23,415,360
Capitation fees		**-**	-	**-**	-
Levies	3A	**1,011,633**	1,076,763	**1,011,633**	1,076,763
Total revenue from contracts with customers		**25,743,015**	24,492,133	**25,743,002**	24,492,123
Income for furthering objectives					
Grants and/or donations	3B	**233,633**	198,925	**2,493**	2,525
Total income for furthering objectives		**233,633**	198,925	**2,493**	2,525
Other Income					
Interest	3C	**132,808**	215,988	**100,392**	157,016
Rental revenue	3D	**280,270**	552,316	**280,270**	429,729
Other revenue	3E	**326,469**	314,091	**288,192**	158,567
Dividend received	3F	**-**	-	**9,783,365**	-
Total other income		**739,547**	1,082,395	**10,452,219**	745,312
Total income		**26,716,195**	25,773,453	**36,197,714**	25,239,960
Expenses					
Employee expenses	4A	**14,990,773**	13,614,013	**14,845,659**	13,426,856
Capitation fees	4B	**2,377,251**	2,369,092	**2,377,251**	2,369,092
Affiliation fees	4C	**248,036**	242,929	**248,036**	242,929
Administration expenses	4D	**3,703,659**	5,143,539	**3,698,134**	4,668,872
Grants or donations	4E	**130,600**	211,475	**130,600**	211,475
Depreciation and amortisation	4F	**1,111,537**	1,141,563	**1,111,537**	1,141,563
Finance costs	4G	**255,545**	486,324	**255,545**	486,324
Legal costs	4H	**1,344,703**	1,449,630	**1,344,703**	1,447,920
Training expenses		**46,028**	189,618	**-**	-
Audit fees	14	**58,065**	51,310	**42,110**	44,690
Total expenses		**24,266,197**	24,899,493	**24,053,575**	24,039,721
Profit for the year before tax		**2,449,998**	873,960	**12,144,139**	1,200,239
Income tax revenue	4I	**46,029**	47,120	**-**	-
Profit for the year		**2,496,027**	921,080	**12,144,139**	1,200,239
Other comprehensive income		**-**	-	**-**	-
Total comprehensive income for the year		**2,496,027**	921,080	**12,144,139**	1,200,239

*** -** see note 15 for details regarding the restatement of 2019 figures.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

STATEMENT OF FINANCIAL POSITION

as at 31 December 2020

	Notes	Consolidated		Parent	
		2020 $	2019 $ Restated *	2020 $	2019 $
ASSETS					
Current assets					
Cash and cash equivalents	5A	**10,527,610**	10,027,175	**10,475,009**	6,490,016
Trade and other receivables	5B	**1,417,806**	1,996,533	**1,418,003**	1,929,535
Other current assets	5C	**455,087**	432,307	**453,238**	432,160
Other investment	6F	**-**	-	**8,000,000**	-
Total current assets		**12,400,503**	12,456,015	**20,346,250**	8,851,711
Non-current assets					
Land and buildings	6A	**17,897,788**	18,676,640	**17,897,788**	18,676,640
Plant and equipment	6B	**599,510**	554,625	**599,510**	554,625
Right-of-use assets	6C	**632,541**	1,095,964	**632,541**	1,095,964
Investment property	6D	**8,815,327**	8,004,274	**8,815,327**	8,004,274
Intangibles	6E	**458,347**	896,108	**458,347**	896,108
Other investment	6F	**-**	-	**-**	8,000,000
Other non-current assets	6G	**-**	1,537	**-**	1,537
Total non-current assets		**28,403,513**	29,229,148	**28,403,513**	37,229,148
Total assets		**40,804,016**	41,685,163	**48,749,763**	46,080,859
LIABILITIES					
Current liabilities					
Trade payables	7A	**529,122**	780,283	**527,102**	773,546
Other payables	7B	**824,870**	423,655	**819,435**	403,643
Borrowings	7C	**181,340**	1,500,000	**8,187,208**	17,870,866
Income tax liabilities		**5,868**	2,226,962	**-**	-
Lease liabilities	7D	**433,727**	543,929	**433,727**	543,929
Employee provisions	8A	**1,111,329**	949,494	**1,111,329**	922,945
Total current liabilities		**3,086,256**	6,424,323	**11,078,801**	20,514,929
Non-current liabilities					
Employee provisions	8A	**1,836,771**	1,682,608	**1,836,771**	1,682,608
Borrowings	9A	**5,883,549**	5,724,355	**5,883,549**	5,724,355
Lease liabilities	7D	**222,702**	575,166	**222,702**	575,166
Total non-current liabilities		**7,943,022**	7,982,129	**7,943,022**	7,982,129
Total liabilities		**11,029,278**	14,406,452	**19,021,823**	28,497,058
Net assets		**29,774,738**	27,278,711	**29,727,940**	17,583,801
MEMBERS' FUNDS					
Retained profits	10A	**29,774,738**	27,278,711	**29,727,940**	17,583,801
Total members' funds		**29,774,738**	27,278,711	**29,727,940**	17,583,801

*** -** see note 15 for details regarding the restatement of the 2019 figures.

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 December 2020

Consolidated	General funds	Retained earnings	Total equity
	$	$	$
		Restated *	
Balance as at 1 January 2019	-	26,368,478	26,368,478
Adoption of AASB16		(10,847)	(10,847)
Profit for the year	-	921,080	921,080
Closing balance at 31 December 2019	-	27,278,711	27,278,711
Profit for the year	-	**2,496,027**	**2,496,027**
Closing balance at 31 December 2020	-	**29,774,738**	**29,774,738**

Parent	General funds	Retained earnings	Total equity
	$	$	$
Balance as at 1 January 2019	-	16,394,409	16,394,409
Adoption of AASB16		(10,847)	(10,847)
Profit for the year	-	1,200,239	1,200,239
Closing balance at 31 December 2019	-	17,583,801	17,583,801
Profit for the year	-	**12,144,139**	**12,144,139**
Closing balance at 31 December 2020	-	**29,727,940**	**29,727,940**

*** -** see note 15 for details regarding the restatement of the 2019 figures.

AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

CASHFLOW STATEMENT

for the year ended 31 December 2020

		Consolidated		Parent	
		2020	2019	**2020**	2019
	Notes	**$**	$	**$**	$
OPERATING ACTIVITIES			**Restated ***		
Cash received					
Interest		**228,409**	164,574	**139,139**	162,456
Membership receipts		**28,992,436**	26,817,243	**28,992,422**	26,817,232
Rental receipts		**317,858**	538,089	**317,858**	424,382
Receipts from other reporting units / controlled entity(s)	11C	**-**	-	**9,837,344**	48,869
Grant received		**254,254**	276,122	**-**	-
Government COVID-19 assistance		**137,470**	-	**100,000**	-
Other		**184,034**	361,052	**126,559**	187,081
Cash used					
Employees		**(14,318,331)**	(13,544,409)	**(14,318,331)**	(13,584,829)
Suppliers		**(8,146,793)**	(9,755,813)	**(7,871,163)**	(8,895,686)
Income tax (paid) refund		**(2,175,065)**	2,710	**-**	-
Interest paid		**(255,545)**	(486,324)	**(255,545)**	(486,324)
Payment to other reporting units/controlled entity(s)	11C	**(2,810,258)**	(3,353,409)	**(2,810,258)**	(3,353,409)
Net cash from operating activities	11B	**2,408,469**	1,019,835	**14,258,025**	1,319,772
INVESTING ACTIVITIES					
Cash used					
Proceed from sale of property		**-**	20,757,186	**-**	-
Purchase of property, plant and equipment		**(164,912)**	-	**(164,912)**	-
Net cash from (used by) investing activities		**(164,912)**	20,757,186	**(164,912)**	-
FINANCING ACTIVITIES					
Cash received					
Receipts from other reporting units / controlled entity(s)	11C	**-**	-	**1,457,447**	17,541,552
Cash used					
Repayment of bank loan		**(1,159,466)**	(17,695,470)	**(1,159,466)**	(17,695,470)
Repayment of lease liabilities		**(585,193)**	(472,103)	**(585,193)**	(472,103)
Repayment of borrowings		**1,537**	-	**(9,820,908)**	(589,882)
Net cash (used by) financing activities		**(1,743,122)**	(18,167,573)	**(10,108,120)**	(1,215,903)
Net increase in cash held		**500,435**	3,609,448	**3,984,993**	103,869
Cash & cash equivalents at the beginning of the reporting period		**10,027,175**	6,417,727	**6,490,016**	6,386,147
Cash & cash equivalents at the end of the reporting period	11A	**10,527,610**	10,027,175	**10,475,009**	6,490,016

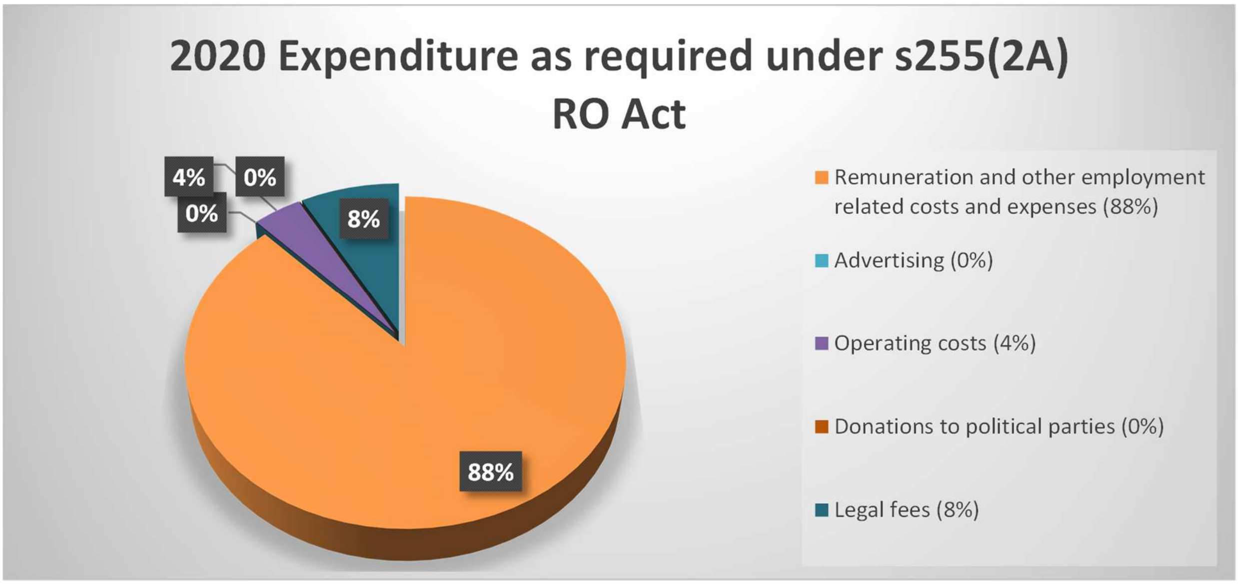
*** -** see note 15 for details regarding the restatement of the 2019 figures.

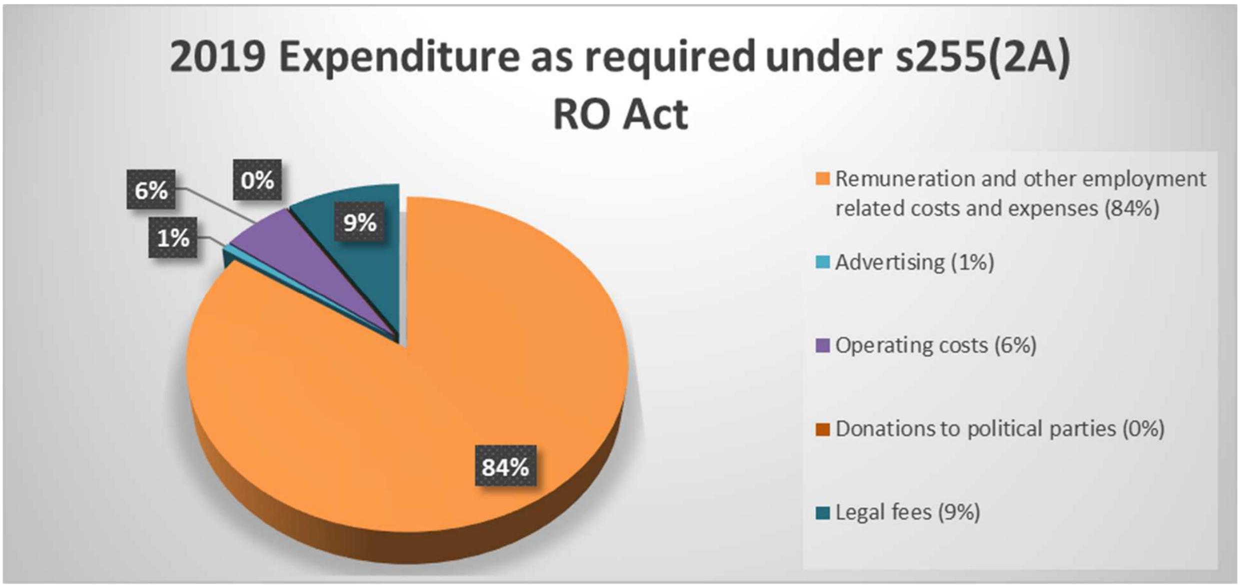
AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH
AND CONTROLLED ENTITIES

ABN: 44 673 398 674

REPORT REQUIRED UNDER SUBSECTION 255(2A)
for the year ended 31 December 2020

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 2020.





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.

E Aulich

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

Dated: 17/05/2021

Index to the Notes of the Financial Statements

Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

The financial statements are general purpose financial statements and have been prepared in accordance with 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 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
No accounting standard has been adopted earlier than the application date stated in the standard. The accounting policies adopted are consistent with those of the previous financial year.

Future Australian Accounting Standards Requirements

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the group. The group's assessment of the impact of these new standards and interpretations is set out below.

AASB 2020-1 – Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
This Standard amends AASB 101 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. For example, the amendments clarify that a liability is classified as non-current if an entity has the right at the end of the reporting period to defer settlement of the liability for at least 12 months after the reporting period. This Standard applies to annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Note 1 Summary of significant accounting policies (Continued)

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 Australian Education Union Victorian 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 Australian Education Union Victorian Branch.

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

Changes in the Australian Education Union Victorian Branch ownership interests in subsidiaries that do not result in the Australian Education Union Victorian Branch losing control are accounted for as equity transactions. The carrying amounts of the Australian Education Union Victorian 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 Australian Education Union Victorian Branch.

When the Australian Education Union Victorian 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 Australian Education Union Victorian 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

Note 1 Summary of significant accounting policies (Continued)

1.5 Investment in associates and joint arrangements

An associate is an entity over which the Australian Education Union Victorian Branch has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 Non-current Asset Held for Sale and Discontinued Operations. Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Australian Education Union Victorian Branch discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Note 1 Summary of significant accounting policies (Continued)

1.6 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.

1.7 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.

Note 1 Summary of significant accounting policies (Continued)

1.8 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.

Interest income

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

Note 1 Summary of significant accounting policies (Continued)

1.8 Revenue (Continued)

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.

1.9 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.

1.10 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.

1.11 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 significant accounting policies (Continued)

1.12 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.

1.13 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 significant accounting policies (Continued)

1.13 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.

1.14 Borrowing costs

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

1.15 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.

1.16 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 significant accounting policies (Continued)

1.17 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 significant accounting policies (Continued)

1.17 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 significant accounting policies (Continued)

1.17 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 significant accounting policies (Continued)

1.17 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.

1.18 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 significant accounting policies (Continued)

1.19 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.

1.20 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.

1.21 Land, buildings, plant and equipment

Asset recognition threshold

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

Revaluations—land and buildings

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

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

Note 1 Summary of significant accounting policies (Continued)

1.21 Land, buildings, plant and equipment (Continued)

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

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

	2020	2019
Land & buildings	40 years	40 years
Plant and equipment	3 years	3 years

Derecognition

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

1.22 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 properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

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 profit or loss in the period in which the property is derecognised.

Note 1 Summary of significant 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:

	2020	2019
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 profit and loss 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). The subsidiary company, TFV Property Pty. Ltd.'s profit is subject to company tax. 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 significant 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 balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 17A.

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 significant 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

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. This pandemic has adversely affected economic activity and greatly contributed to significant deterioration and instability in financial markets.

As a result of this uncertainty created by the global COVID-19 pandemic:

- Whilst the investments and land and building held by the union at the date of the financial report are recorded in the financial statements based on valuations as at that date, current values could be significantly less than these values.
- Future membership number, and therefore membership income, may decrease due to the uncertainty created in the labour market caused by lockdown of businesses and the future viability of businesses which employ members.

Although the union cannot estimate the length or gravity of the impact of the COVID-19 outbreak at this time, if the pandemic continues, it may have an adverse effect on the results of future operations, financial position and liquidity.

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	
	2020	2019	**2020**	2019
	$	$	**$**	$

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.

Type of customer				
- members *	**25,743,015**	24,492,133	**25,743,002**	24,492,123
Total revenue from contracts with customers	**25,743,015**	24,492,133	**25,743,002**	24,492,123

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:

Income funding sources				
- other parties	**233,633**	198,925	**2,493**	2,525
Total income for furthering activities	**233,633**	198,925	**2,493**	2,525

Note 3A: Levies

Public Education campaign Levy	**1,011,633**	1,076,763	**1,011,633**	1,076,763
Total levies	**1,011,633**	1,076,763	**1,011,633**	1,076,763

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 or donations

Grants – government *	**231,140**	196,400	**-**	-
Donations	**2,493**	2,525	**2,493**	2,525
Total grants or donations *	**233,633**	198,925	**2,493**	2,525

Note 3C: Interest

Bank Deposits	**132,808**	215,988	**100,392**	157,016
Total interest	**132,808**	215,988	**100,392**	157,016

*** -** see note 15 for details regarding the restatement of 2019 figures.

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$

Note 3 Revenue and Income (Continued)

Note 3D: Rental revenue

Properties	**280,270**	552,316	**280,270**	429,729
Total rental revenue	**280,270**	552,316	**280,270**	429,729

Note 3E: Other revenue

Other revenue from another reporting unit – AEU Federal Office	**-**	89,081	**-**	89,081
Government COVID-19 assistance	**137,470**	-	**100,000**	-
Training income *	**43,142**	140,397	**-**	-
Revenue from undertaking recovery of wages activity	**14,850**	-	**14,850**	-
Financial support from another reporting unit	**-**	-	**-**	-
Reimbursements received	**80,367**	-	**122,702**	-
Other	**50,640**	84,613	**50,640**	69,486
Total other revenue *	**326,469**	314,091	**288,192**	158,567

Note 3F: Dividend received

Dividend from subsidiary	**-**	-	**9,783,365**	-
Total dividend received	**-**	-	**9,783,365**	-

*** -** see note 15 for details regarding the restatement of 2019 figures.

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$

Note 4 Expenses

Note 4A: Employee expenses

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Holders of office:				
Wages and salaries	**1,445,600**	1,392,613	**1,445,600**	1,392,613
Superannuation	**232,198**	226,284	**232,198**	226,284
Leave and other entitlements	**72,810**	(21,780)	**72,810**	(21,780)
Separation and redundancies	**-**	-	**-**	-
Other employee expenses	**131,934**	142,520	**131,934**	142,520
Subtotal employee expenses holders of office	**1,882,542**	1,739,637	**1,882,542**	1,739,637
Employees other than office holders:				
Wages and salaries *	**10,288,694**	9,479,991	**10,140,957**	9,358,062
Superannuation *	**1,624,952**	1,531,134	**1,603,744**	1,507,656
Leave and other entitlements *	**217,382**	(163,309)	**243,930**	(161,628)
Separation and redundancies	**-**	-	**-**	-
Other employee expenses *	**977,203**	1,026,560	**974,486**	983,129
Subtotal employee expenses employees other than office holders *	**13,108,231**	11,874,376	**12,963,117**	11,687,219
Total employee expenses *	**14,990,773**	13,614,013	**14,845,659**	13,426,856

Note 4B: Capitation fees & Levies

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
AEU Federal Office				
- Capitation fee	**1,581,804**	1,577,458	**1,581,804**	1,577,458
- Publication Levy – (A) Aust Educator	**168,559**	167,500	**168,559**	167,500
- Publication Levy – (B) TAFE Teacher	**9,855**	9,710	**9,855**	9,710
- Public Education Levy	**191,328**	193,672	**191,328**	193,672
- ACTU Subscriptions	**300,863**	298,739	**300,863**	298,739
- Education International	**124,842**	122,013	**124,842**	122,013
Total capitation fees	**2,377,251**	2,369,092	**2,377,251**	2,369,092

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 an affiliated overseas body

*** -** see note 15 for details regarding the restatement of 2019 figures.

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$
Note 4C: Affiliation fees				
AAWL	**2,000**	2,000	**2,000**	2,000
Ballarat Trades Hall Council	**3,080**	3,080	**3,080**	3,080
Bendigo Trades Hall Council	**7,120**	7,120	**7,120**	7,120
Geelong Trades Hall Council	**6,984**	6,930	**6,984**	6,930
Gippsland Trades Hall Council	**6,234**	6,234	**6,234**	6,234
Goulburn Valley Trades Hall Council	**2,400**	2,280	**2,400**	2,280
North East Trades Hall Council	**2,884**	2,884	**2,884**	2,884
South West Trades Hall Council	**2,250**	563	**2,250**	563
Sunraysia Trades Hall Council	**550**	709	**550**	709
Victorian Trades Hall Council	**214,534**	211,129	**214,534**	211,129
Total affiliation fees	**248,036**	242,929	**248,036**	242,929

Note 4D: Administration expenses

Conference and meeting expenses	**208,197**	398,743	**208,197**	398,743
Consideration to employers for payroll deductions	**-**	-	**-**	-
Contractors/consultants	**-**	11,381	**-**	11,381
Fees/allowances - meeting and conferences	**-**	-	**-**	-
Information communications technology	**1,109,128**	1,038,393	**1,109,128**	1,038,393
Member Services	**101,019**	310,418	**101,019**	310,418
Member Services – campaigns	**360,400**	456,210	**360,400**	456,210
Office expenses	**214,077**	241,086	**214,077**	241,086
Penalties imposed under the RO Act	**-**	-	**-**	-
Payments of any other expenses to another reporting unit	**-**	-	**-**	-
Property expenses	**683,908**	1,247,460	**683,908**	860,402
Publications	**608,681**	811,294	**608,681**	811,294
Loss on disposals of assets	**-**	81,016	**-**	-
Accounting service & subscription	**4,757**	-	**4,757**	-
Other *	**240,321**	325,527	**234,796**	316,934
Contribution to AEU Federal Office – International Trust Fund	**164,000**	174,000	**164,000**	174,000
Lease and rental costs	**9,171**	50,011	**9,171**	50,011
Total administration expenses	**3,703,659**	5,143,539	**3,698,134**	4,668,872

*** -** see note 15 for details regarding the restatement of 2019 figures.

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$
Note 4E: Grants or donations				
Grants:				
Total paid that were $1,000 or less	**-**	-	**-**	-
Total paid that exceeded $1,000	**110,000**	85,500	**110,000**	85,500
Donations:				
Total paid that were $1,000 or less	**6,100**	5,468	**6,100**	5,468
Total paid that exceeded $1,000	**14,500**	120,507	**14,500**	120,507
Total grants or donations	**130,600**	211,475	**130,600**	211,475
Note 4F: Depreciation and amortisation				
Depreciation				
Property, plant and equipment	**673,776**	608,199	**673,776**	608,199
Total depreciation	**673,776**	608,199	**673,776**	608,199
Amortisation				
Intangibles	**437,761**	533,364	**437,761**	533,364
Total amortisation	**437,761**	533,364	**437,761**	533,364
Total depreciation and amortisation	**1,111,537**	1,141,563	**1,111,537**	1,141,563
Note 4G: Finance costs				
Mortgage Loan	**215,534**	437,832	**215,534**	437,832
Lease interest – right-of-use assets	**38,806**	43,778	**38,806**	43,778
ATO interest	**1,205**	4,714	**1,205**	4,714
Total finance costs	**255,545**	486,324	**255,545**	486,324
Note 4H: Legal costs				
Litigation	**1,309,048**	1,431,143	**1,309,048**	1,431,143
Other legal matters	**35,655**	18,487	**35,655**	16,777
Total legal costs	**1,344,703**	1,449,630	**1,344,703**	1,447,920

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$
Note 4I: Income Tax expenses				
(a) Income tax expense:				
Current tax	**5,868**	2,226,962	**-**	-
Prior year	**(51,897)**	-	**-**	-
Deferred tax	**-**	(2,274,082)	**-**	-
	(46,029)	(47,120)	**-**	-
(b) Numerical reconciliation of income tax expense to prima facie tax payable:				
Profit from continuing operations before income tax expense *	**2,449,998**	873,960	**12,144,139**	1,200,239
Tax at the Australian tax rate of 30% (2019 – 30%) *	**734,999**	262,188	**3,643,242**	360,072
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
- Sundry items *	**(20,899)**	50,764	**-**	-
- Tax exempt portion	**(708,232)**	(360,072)	**(3,643,242)**	(360,072)
Prior year tax adjustment	**(51,897)**	-	**-**	-
Income tax expense	**(46,029)**	(47,120)	**-**	-
(c) Deferred income tax (revenue) expense included in income tax expense comprises:				
(Decrease) increase in deferred tax liabilities	**-**	(2,274,082)	**-**	-
	-	(2,274,082)	**-**	-

*** -** see note 15 for details regarding the restatement of 2019 figures.

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$

Note 5 Current assets

Note 5A: Cash and cash equivalents

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Cash at bank *	**1,444,443**	252,312	**1,391,842**	215,153
Cash on hand	**605**	5,754	**605**	5,754
Short term deposits	**9,082,562**	9,769,109	**9,082,562**	6,269,109
Total cash and cash equivalents *	**10,527,610**	10,027,175	**10,475,009**	6,490,016

Note 5B: Trade and other receivables

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Receivables from other reporting unit	**-**	-	**-**	-
Less loss allowance	**-**	-	**-**	-
Receivable from other reporting unit	**-**	-	**-**	-
Other receivables:				
Other trade receivables *	**1,417,806**	1,996,533	**1,418,003**	1,929,535
Total other receivables	**1,417,806**	1,996,533	**1,418,003**	1,929,535
Total trade and other receivables (net) *	**1,417,806**	1,996,533	**1,418,003**	1,929,535

Note 5C: Other current assets

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Prepayments *	**455,087**	432,307	**453,238**	432,160
Total other current assets *	**455,087**	432,307	**453,238**	432,160

*** -** see note 15 for details regarding the restatement of 2019 figures.

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$

Note 6 Non-current assets

Note 6A: Land and buildings

Land and buildings:				
cost	**17,897,788**	18,676,640	**17,897,788**	18,676,640
Total land and buildings	**17,897,788**	18,676,640	**17,897,788**	18,676,640

Reconciliation of the opening and closing balances of land and buildings

Net book value 1 January	**18,676,640**	18,676,640	**18,676,640**	18,676,640
Re-classification (Note 6D)	**(800,427)**	-	**(800,427)**	-
Additions:				
By purchase	**21,575**	-	**21,575**	-
Net book value 31 December	**17,897,788**	18,676,640	**17,897,788**	18,676,640
Net book value at 31 December represented by:				
Gross book value	**17,897,788**	18,676,640	**17,897,788**	18,676,640
Accumulated depreciation and impairment	**-**	-	**-**	-
Net book value 31 December	**17,897,788**	18,676,640	**17,897,788**	18,676,640

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

	2020	2019
	$	$
Cost	**17,897,788**	18,676,640
Accumulated depreciation and impairment	**-**	-
at carrying amount	**17,897,788**	18,676,640

Note 6 Non-current assets (Continued)

Note 6B: Plant and equipment

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Plant and equipment:				
at cost	**1,031,984**	1,359,181	**1,031,984**	1,359,181
accumulated depreciation	**(432,474)**	(804,556)	**(432,474)**	(804,556)
Total plant and equipment	**599,510**	554,625	**599,510**	554,625

Reconciliation of the opening and closing balances of plant and equipment

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Net book value 1 January	**554,625**	678,436	**554,625**	678,436
Additions:				
By purchase	**132,711**	-	**132,711**	-
Depreciation expense	**(87,826)**	(123,811)	**(87,826)**	(123,811)
Net book value 31 December	**599,510**	554,625	**599,510**	554,625

Note 6C: Right-of-use assets

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Right-of-use assets:				
at cost	**2,122,012**	2,044,757	**2,122,012**	2,044,757
accumulated depreciation	**(1,489,471)**	(948,793)	**(1,489,471)**	(948,793)
Total right-of-use assets	**632,541**	1,095,964	**632,541**	1,095,964

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

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Net book value 1 January	**1,095,964**	-	**1,095,964**	-
Adoption of AASB16	**-**	1,580,352	**-**	1,580,352
Additions	**122,527**	-	**122,527**	-
Depreciation expense	**(585,950)**	(484,388)	**(585,950)**	(484,388)
Net book value 31 December	**632,541**	1,095,964	**632,541**	1,095,964

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$
Note 6D: Investment property				
Opening balance as at 1 January	**8,004,274**	8,004,274	**8,004,274**	8,004,274
Re-classification	**800,427**	-	**800,427**	-
Additions	**10,626**	-	**10,626**	-
Closing balance as at 31 December	**8,815,327**	8,004,274	**8,815,327**	8,004,274

The Branch occupies 67% of the office space at 126 Trenerry Crescent Abbotsford VIC with 33% (2019: 30%) available for tenancy. As a result, 33% of the value of 126 Trenerry Crescent (parent company) is classified as an Investment property.

The above property is used as securities in respect of a bank loan of the AEU-Victorian Branch amounting to $6.1 million (2019: $7.3 million).

Amounts recognised in profit and loss for investment properties				
Rental income	**280,270**	552,316	**280,270**	429,729
Direct operating expenses from property that generated rental income	**225,690**	374,238	**225,690**	258,121
Direct operating expenses from property that did not generate rental income	**-**	-	**-**	-

Note 6E: Intangibles

Membership system				
At cost	**2,595,204**	2,595,204	**2,595,204**	2,595,204
Accumulated amortisation	**(2,136,857)**	(1,699,096)	**(2,136,857)**	(1,699,096)
Total intangibles	**458,347**	896,108	**458,347**	896,108

Reconciliation of the opening and closing balances of intangibles

Net book value 1 January	**896,108**	1,429,472	**896,108**	1,429,472
Amortisation	**(437,761)**	(533,364)	**(437,761)**	(533,364)
Net book value 31 December	**458,347**	896,108	**458,347**	896,108

Note 6F: Other investments

Current assets				
Shares in subsidiary	**-**	-	**8,000,000**	-
Non-current assets				
Shares in subsidiary	**-**	-	**-**	8,000,000

The subsidiary company, TFV Property Ltd, did not engage in trading activities during the year and will be wound up in 2021. Therefore, the investment is re-classified as current asset this year.

Note 6 Non-current assets (Continued)

Note 6G: Other non-current assets

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Other	-	1,537	-	1,537
Total other non-current assets	-	1,537	-	1,537

Note 7 Current liabilities

Note 7A: Trade payables

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Trade creditors and accruals *	**249,493**	717,406	**247,473**	710,669
Legal costs - litigation	**279,629**	56,756	**279,629**	56,756
Legal costs – other matters	-	-	-	-
Subtotal trade creditors *	**529,122**	774,162	**527,102**	767,425
Payables to other reporting unit				
- AEU Federal Office	-	6,121	-	6,121
Subtotal payables to other reporting unit	-	6,121	-	6,121
Total trade payables	**529,122**	780,283	**527,102**	773,546

Note 7B: Other payables

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Superannuation	**154,665**	216,297	**152,886**	213,868
Consideration to employers for payroll deductions	-	-	-	-
Prepayments received/unearned revenue	**214,182**	89,718	**214,182**	89,718
GST payable *	**213,233**	18,073	**220,687**	37,863
Other *	**242,790**	99,567	**231,680**	62,194
Total other payables	**824,870**	423,655	**819,435**	403,643
Total other payables are expected to be settled in:				
No more than 12 months *	**824,870**	423,655	**819,435**	403,643
More than 12 months	-	-	-	-
Total other payables *	**824,870**	423,655	**819,435**	403,643

* - see note 15 for details regarding the restatement of 2019 figures.

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$

Note 7 Current liabilities (Continued)

Note 7B: Other payables (Continued)

Contract balances

The following table provides information about receivables and contract liabilities from contracts with customers				
Membership receivables	**716,627**	1,205,909	**716,627**	1,205,909
Membership fees received in advance	**214,182**	89,718	**214,182**	89,718
Membership fees in advance represent advance consideration received from customers for which revenue is recognised in accordance with the satisfaction of performance obligations.				
Significant changes in contract balances during the period are as follows:				
Revenue recognised that would included in the prepayments received/unearned revenue balances at beginning of period.	**89,718**	100,948	**89,718**	100,948
Increase due to cash received, excluding amounts recognised as revenue during the period	**(214,182)**	(89,718)	**(214,182)**	(89,718)

Note 7C: Borrowings

Bank mortgage loan	**181,340**	1,500,000	**181,340**	1,500,000
Loan from subsidiary	**-**	-	**8,005,868**	16,370,866
Total borrowings	**181,340**	1,500,000	**8,187,208**	17,870,866

Note 7D: Lease liabilities

Current	**433,727**	543,929	**433,727**	543,929
Non-current	**222,702**	575,166	**222,702**	575,166
Total lease liabilities	**656,429**	1,119,095	**656,429**	1,119,095

Note 8 Provisions

Note 8A: Employee provisions

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Office Holders:				
Annual leave	**202,443**	176,275	**202,443**	176,275
Long service leave	**227,459**	180,818	**227,459**	180,818
Separations and redundancies	**-**	-	**-**	-
Other	**-**	-	**-**	-
Subtotal employee provisions - office holders	**429,902**	357,093	**429,902**	357,093
Employees other than office holders:				
Annual leave *	**908,886**	758,782	**908,886**	746,670
Long service leave *	**1,609,312**	1,516,227	**1,609,312**	1,501,790
Separations and redundancies	**-**	-	**-**	-
Other	**-**	-	**-**	-
Subtotal employee provisions - employees other than office holders *	**2,518,198**	2,275,009	**2,518,198**	2,248,460
Total employee provisions	**2,948,100**	2,632,102	**2,948,100**	2,605,553
Current *	**1,111,329**	949,494	**1,111,329**	922,945
Non-current	**1,836,771**	1,682,608	**1,836,771**	1,682,608
Total employee provisions	**2,948,100**	2,632,102	**2,948,100**	2,605,553

Note 9 Non-current liabilities

Note 9A: Borrowings

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Bank Mortgage Loan	**5,883,549**	5,724,355	**5,883,549**	5,724,355
Total Borrowings	**5,883,549**	5,724,355	**5,883,549**	5,724,355

*** -** see note 15 for details regarding the restatement of 2019 figures.

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$

Note 10 Members' Funds

Note 10A: Retained earnings

Retained earnings at start of year *	**27,278,711**	26,368,478	**17,583,801**	16,394,409
Adoption of AASB16	**-**	(10,847)	**-**	(10,847)
Profit for the year *	**2,496,027**	921,080	**12,144,139**	1,200,239
Retained earnings at end of year	**29,774,738**	27,278,711	**29,727,940**	17,583,801

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 are no transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity.

Note 11 Cash flow

Note 11A: Cash flow reconciliation

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

Cash and cash equivalents as per:				
Cash flow statement *	**10,527,610**	10,027,175	**10,475,009**	6,490,016
Balance sheet *	**10,527,610**	10,027,175	**10,475,009**	6,490,016
Difference	**-**	-	**-**	-

*** -** see note 15 for details regarding the restatement of 2019 figures.

Note 11 Cash flow (Continued)

Note 11B: Cash flow reconciliation

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$
Reconciliation of profit to net cash from operating activities:				
Profit for the year *	**2,496,027**	921,080	**12,144,139**	1,200,239
Adjustments for non-cash items				
Depreciation/amortisation	**1,111,537**	1,141,563	**1,111,537**	1,141,563
Loss on sale of property	**-**	81,016	**-**	-
Changes in assets/liabilities				
(Increase) in net receivables *	**574,074**	(125,363)	**511,532**	(109,682)
(Increase) in prepayments	**(21,079)**	(85,653)	**(21,079)**	(86,584)
Increase (Decrease) in supplier payables *	**28,542**	(684,134)	**44,885**	(643,180)
Increase (Decrease) in other payables	**124,464**	(11,230)	**124,464**	(11,230)
Increase (Decrease) in employee provisions *	**315,998**	(173,034)	**342,547**	(171,354)
(Decrease) Increase in tax provisions	**(2,221,094)**	2,229,672	**-**	-
(Decrease) in deferred tax	**-**	(2,274,082)	**-**	-
Net cash from operating activities	**2,408,469**	1,019,835	**14,258,025**	1,319,772

Note 11C: Cash flow information

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

Cash inflows - financing				
TFV Property Pty. Ltd.	**-**	-	**1,457,447**	17,541,552
Total cash inflows	**-**	-	**1,457,447**	17,541,552
Cash inflows - operating				
TFV Property Pty. Ltd. - dividend	**-**	-	**9,783,365**	-
AEU Education Services Inc	**-**	-	**53,979**	48,869
Total cash inflows	**-**	-	**9,837,344**	48,869
Cash outflows - operating				
*AEU Federal Office***	**2,629,858**	3,069,059	**2,629,858**	3,069,059
AEU Federal Office – International Trust Fund	**180,400**	284,350	**180,400**	284,350
Total cash outflows	**2,810,258**	3,353,409	**2,810,258**	3,353,409

** capitation fee, levy and campaign contribution

* - see note 15 for details regarding the restatement of 2019 figures.

Note 12 Contingent liabilities, assets and commitments

Note 12A: Commitments and contingencies

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$
Operating lease commitments - as lessor				
Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2020 are as follows:				
Within one year	**464,687**	456,656	**464,687**	456,656
After one year but not more than five years	**2,006,277**	1,946,576	**2,006,277**	1,946,576
After five years	**585,693**	1,110,081	**585,693**	1,110,081
	3,056,657	3,513,313	**3,056,657**	3,513,313

Capital commitments

At 31 December 2020 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. The total amount of funding approved but not yet paid for as at 31 December 2020 is approximately $2.28M.

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$

Note 13 Related party disclosures

Note 13A: Related party transactions for the reporting period

Subsidiaries

The group's principal subsidiaries at 31 December 2020 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 2020	Group equity holding 2019
TFV Property Pty Ltd	Australia	Dormant	**100%**	100%
AEU Education Services Incorporated	Australia	Training	**100%**	100%

TFV Property Ltd, did not engage in trading activities during the year and will be wound up in 2021.

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 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Revenue received:				
AEU Education Services Incorporated – salary reimbursement	**-**	-	**42,335**	40,420
TFV Property Pty Ltd - dividend	**-**	-	**9,783,365**	-
Loan to subsidiaries				
Balance at 1 January	**-**	-	**(16,370,866)**	580,804
Loan repayments	**-**	-	**(1,457,447)**	(17,541,552)
Loan advanced	**-**	-	**9,822,445**	589,882
Balance at 31 December	**-**	-	**(8,005,868)**	(16,370,866)

Note 13 Related party disclosures (Continued)

Note 13B: Key management personnel remuneration for the reporting period

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$
Short-term employee benefits				
Salary (including annual leave taken)	**1,326,690**	1,187,523	**1,326,690**	1,187,523
Annual leave accrued	**145,079**	159,676	**145,079**	159,676
Other	**131,934**	142,520	**131,934**	142,520
Total short-term employee benefits	**1,603,703**	1,489,719	**1,603,703**	1,489,719
Post-employment benefits:				
Superannuation	**232,198**	226,284	**232,198**	226,284
Total post-employment benefits	**232,198**	226,284	**232,198**	226,284
Other long-term benefits:				
Long-service leave	**46,641**	23,634	**46,641**	23,634
Total other long-term benefits	**46,641**	23,634	**46,641**	23,634
Termination benefits	**-**	-	**-**	-
Total	**1,882,542**	1,739,637	**1,882,542**	1,739,637

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

Loans to/from key management personnel	**-**	-	**-**	-
Other transactions with key management personnel	**-**	-	**-**	-

Note 13D: Former related party

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

Note 13E: Financial affairs

There is no another entity administer the financial affairs of the reporting unit.

Note 14 Remuneration of auditors

	Consolidated 2020 $	Consolidated 2019 $	Parent 2020 $	Parent 2019 $
Value of the services provided				
Current auditor				
Financial statement audit services *	**45,720**	50,040	**32,910**	44,690
Audit of VEC return	**250**	-	**250**	-
Other services	**12,095**	1,270	**8,950**	-
Total remuneration of auditors	**58,065**	51,310	**42,110**	44,690

*** -** see note 15 for details regarding the restatement of 2019 figures.

Note 15 Correction of error

The Branch has reassessed whether it has effective control over AEU Education Services Incorporated (the association) and has concluded due to the practical influence it can exert on the appointment of the association's members that control is more likely than not to exist. Therefore the Association has been included in the consolidated statements of the group. Whilst there is no material effect of this on the prior year's financial statements the prior year consolidated financial statements have been restated for clarity.

The following is a summary of the effect of the inclusion of the Association in the consolidated statements for the year ended 31 December 2019:

Consolidated	**31/12/2019 (Original) $**	**Increase (Decrease) $**	**31/12/2019 (restated) $**
Statement of Financial Position (extract)			
Cash & Cash equivalents – current assets	10,023,306	3,869	10,027,175
Trade and other receivables	1,996,341	192	1,996,533
Other current assets	432,160	147	432,307
Total current assets	12,451,807	4,208	12,456,015
Total assets	41,680,955	4,208	41,685,163
Trade payables	773,546	6,737	780,283
Other payables	429,866	(6,211)	423,655
Employee provisions	922,945	26,549	949,494
Total current liabilities	6,397,248	27,075	6,424,323
Total liabilities	14,379,377	27,075	14,406,452
Net assets	27,301,578	(22,867)	27,278,711
Retained earnings	27,301,578	(22,867)	27,278,711
Total equity	27,301,578	(22,867)	27,278,711

Note 15 Correction of error (Continued)

	31/12/2019 (Original) $	Increase (Decrease) $	31/12/2019 (restated) $
Statement of Comprehensive income (extract)			
Membership subscription	23,415,360	10	23,415,370
Grants and/or donations	2,525	196,400	198,925
Other revenue	173,694	140,397	314,091
Total income	25,436,646	336,807	25,773,453
Employee expenses	13,426,856	187,157	13,614,013
Admin exp	5,137,208	6,331	5,143,539
Training exp	-	189,618	189,618
Audit fees	49,910	1,400	51,310
Total expenses	24,514,987	384,506	24,899,493
Profit for the year	921,659	(47,699)	873,960
Profit after tax	968,779	(47,699)	921,080
Total comprehensive income for the year attributable to the members	968,779	(47,699)	921,080
Statement of cashflows (extract)			
Membership receipts	26,817,232	11	26,817,243
Grants received	-	276,122	276,122
Other	206,615	154,437	361,052
Payment to suppliers	9,298,274	457,539	9,755,813
Net cash from operating activities	1,046,804	(26,969)	1,019,835
Net increase/(decrease) in cash and cash equivalents	3,636,417	(26,969)	3,609,448
Cash and cash equivalents at beginning of financial year	6,386,889	30,838	6,417,727
Cash and cash equivalents at end of financial year	10,023,306	3,869	10,027,175
Statement of changes in equity (extract)			
Closing balance at 31 December 2018	26,343,646	24,832	26,368,478
Profit for the year	968,779	(47,699)	921,080
Closing balance at 31 December 2019	27,301,578	(22,867)	27,278,711

Note 16 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 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 16A: Categories of financial instruments

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$
Financial assets				
Cash and cash equivalents *	**10,527,610**	10,027,175	**10,475,009**	6,490,016
Trade and other receivables *	**1,417,806**	1,996,533	**1,418,003**	1,929,535
Total	**11,945,416**	12,023,708	**11,893,012**	8,419,551
Financial assets:				
Investment in subsidiary	**-**	-	**8,000,000**	8,000,000
Total	**-**	-	**8,000,000**	8,000,000
Carrying amount of financial assets	**11,945,416**	12,023,708	**19,893,012**	16,419,551
Financial liabilities				
Trade and other payables *	**1,353,992**	1,203,938	**1,346,537**	1,177,189
Income tax payable	**5,868**	2,226,962	**-**	-
Borrowings	**6,721,318**	8,343,450	**14,727,186**	24,714,316
Total	**8,081,178**	11,774,350	**16,073,723**	25,891,505
Carrying amount of financial liabilities	**8,081,178**	11,774,350	**16,073,723**	25,891,505

* - see note 15 for details regarding the restatement of 2019 figures.

Note 16 Financial instruments (Continued)

Note 16B: 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 2020 and 31 December 2019 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 Pool's rating of at least AA-.

Note 16C: 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 2020 - Consolidated

	On Demand	**< 1 year $**	**1– 2 years $**	**2– 5 years $**	**>5 years $**	**Total $**
Trade and other payables	**1,353,992**	**-**	**-**	**-**	**-**	**1,353,992**
Income tax payables	**5,868**	**-**	**-**	**-**	**-**	**5,868**
Borrowings	**-**	**1,933,727**	**222,702**	**-**	**4,564,889**	**6,721,318**
Total	**1,359,860**	**1,933,727**	**222,702**	**-**	**4,564,889**	**8,081,178**

Maturities for financial liabilities 2019 - Consolidated

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables *	1,203,938	-	-	-	-	1,203,938
Income tax payables	2,226,962	-	-	-	-	2,226,962
Borrowings	-	2,043,929	575,166	-	5,724,355	8,343,450
Total	3,430,900	2,043,929	575,166	-	5,724,355	11,774,350

*** -** see note 15 for details regarding the restatement of 2019 figures

Note 16 Financial instruments (Continued)

Note 16C: Liquidity risk (Continued)

Contractual maturities for financial liabilities 2020 - Parent

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	**1,346,537**	**-**	**-**	**-**	**-**	**1,346,537**
Borrowings	**-**	**9,939,595**	**222,702**	**-**	**4,564,889**	**14,727,186**
Total	**1,346,537**	**9,939,595**	**222,702**	**-**	**4,564,889**	**16,073,723**

Maturities for financial liabilities 2019 - Parent

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables	1,177,189	-	-	-	-	1,177,189
Borrowings	-	18,414,795	575,166	-	5,724,355	24,714,316
Total	1,177,189	18,414,795	575,166	-	5,724,355	25,891,505

Note 16D: 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 entity is exposed to for 2020

	Change in risk variable	Effect on	
		Profit & loss	Equity
	%	$	$
Financial Assets			
Interest rate risk	+2	+210,540	+210,540
Interest rate risk	-2	210,540	210,540
Financial Liabilities			
Interest rate risk	+1	-67,213	-67,213
Interest rate risk	-1	+67,213	+67,213

Note 16 Financial instruments (Continued)

Note 16D: Market risk (Continued)

Sensitivity analysis of the risk that the entity is exposed to for 2019

	Change in risk variable	Effect on	
		Profit & loss	**Equity**
Financial Assets	**%**	**$**	**$**
Interest rate risk	+2	+200,428	+200,428
Interest rate risk	-2	200,428	200,428
Financial Liabilities			
Interest rate risk	+1	-84,434	-84,434
Interest rate risk	-1	+84,434	+84,434

Note 16E: Asset pledged/or held as collateral

	Consolidated		Parent	
	2020	2019	**2020**	2019
	$	$	**$**	$
Assets pledged as collateral				
Financial assets pledged as collateral:				
Freehold Land & Buildings	**26,713,115**	26,680,914	**26,713,115**	26,680,914
Total assets pledged as collateral	**26,713,115**	26,680,914	**26,713,115**	26,680,914

The bank loan is secured by a first registered mortgage over freehold properties owned by the controlled entity and the parent entity. Covenants imposed by the bank require that debt not to exceed 70% of the valuation of the properties.

Note 17 Fair value measurement

Note 17A: 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 2020 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 2020 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 2020	**Fair value 2020**	Carrying amount 2019	Fair value 2019
Consolidated	**$**	**$**	$	$
Financial Assets				
Cash & cash equivalents *	**10,527,610**	**10,527,610**	10,027,175	10,027,175
Trade & other receivables *	**1,417,806**	**1,417,806**	1,996,533	1,996,533
Total	**11,945,416**	**11,945,416**	12,023,708	12,023,708
Non-financial Assets				
Land & buildings	**26,713,115**	**26,713,115**	26,680,914	26,680,914
Plant & equipment	**1,232,051**	**1,232,051**	1,650,589	1,650,589
Other non-current Assets	**458,347**	**458,347**	897,645	897,645
Total	**28,403,513**	**28,403,513**	29,229,148	29,229,148
Financial Liabilities				
Trade & other payables *	**1,353,992**	**1,353,992**	1,203,938	1,203,938
Tax payable	**5,868**	**5,868**	2,226,962	2,226,962
Lease liabilities	**656,429**	**656,429**	1,119,095	1,119,095
Bank Mortgage Loan	**6,064,889**	**6,064,889**	7,224,355	8,427,767
Total	**8,081,178**	**8,081,177**	11,774,350	12,977,762

* - see note 15 for details regarding the restatement of 2019 figures.

Note 17 Fair value measurement (Continued)

Note 17A: 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 2020	**Fair value 2020**	Carrying amount 2019	Fair value 2019
Parent	**$**	**$**	$	$
Financial Assets				
Cash & cash equivalents	**10,475,009**	**10,475,009**	6,490,016	6,490,016
Trade & other receivables	**1,418,003**	**1,418,003**	1,929,535	1,929,535
Other Investments	**8,000,000**	**8,000,000**	8,000,000	8,000,000
Total	**19,893,012**	**19,893,012**	16,419,551	16,419,551
Non-financial Assets				
Land & Buildings	**26,713,115**	**26,713,115**	26,680,914	26,680,914
Plant & Equipment	**1,232,051**	**1,232,051**	1,650,589	1,650,589
Other non-current assets	**458,347**	**458,347**	897,645	897,645
Total	**28,403,513**	**28,403,513**	29,229,148	29,229,148
Financial Liabilities				
Trade & other payables	**1,346,537**	**1,346,537**	1,177,189	1,177,189
Loan from subsidiary	**8,005,868**	**8,005,868**	16,370,866	16,370,866
Lease liabilities	**656,429**	**656,429**	1,119,095	1,119,095
Bank Mortgage Loan	**6,064,889**	**6,064,889**	7,224,355	7,224,355
Total	**16,073,723**	**16,073,723**	25,891,505	25,891,505

Note 17 Fair value measurement (Continued)

Note 17B: 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 2020

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Cash & cash equivalents		**10,527,610**	-	-
Trade & other receivables		**1,417,806**	-	-
Total		**11,945,416**	-	-
Non-financial Assets				
Land & buildings	**31/12/2020**	-	**26,713,115**	-
Plant & equipment		-	**1,232,051**	-
Other non-current assets		-	**458,347**	-
Total		-	**28,403,513**	-
Liabilities measured at fair value				
Trade & other payables		**1,353,992**	-	-
Tax payables		**5,868**	-	-
Lease liabilities		**656,429**	-	-
Bank Mortgage Loan		**6,064,889**	-	-
Total		**8,081,178**	-	-

Fair value hierarchy - Consolidated 31 December 2019

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		**$**	**$**	**$**
Cash & cash equivalents *		10,027,175	-	-
Trade & other receivables *		1,996,533	-	-
Total		12,023,708	-	-
Non-financial Assets measured at fair value				
Land & buildings	30/6/2019	-	26,680,914	-
Plant & equipment		-	1,650,589	-
Other non-current assets		-	897,645	-
Total		-	29,229,148	-
Liabilities measured at fair value				
Trade & other payables *		1,203,938	-	-
Tax payables		2,226,962	-	-
Lease liabilities		1,119,095	-	-
Bank Mortgage Loan		7,224,355	-	-
Total		11,774,350	-	-

* - see note 15 for details regarding the restatement of 2019 figures.

Note 17 Fair value measurement (Continued)

Note 17B: Fair value hierarchy (Continued)

Fair value hierarchy – Parent 31 December 2020	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Cash & cash equivalents		10,475,009	-	-
Trade & other receivables		1,418,003	-	-
Other Investments		-	8,000,000	-
Total		11,893,012	8,000,000	-
Non-financial assets measured at fair value				
Land & buildings	31/12/2020	-	26,713,115	-
Plant & equipment		-	1,232,051	-
Other non-current assets		-	458,347	-
Total		-	28,403,513	-
Liabilities measured at fair value				-
Trade & other payables		1,346,537	-	-
Lease liabilities		656,429	-	-
Loan from subsidiary		8,005,868		
Bank Mortgage Loan		6,064,889	-	-
Total		16,073,723	-	-

Fair value hierarchy – Parent 31 December 2019	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Cash & cash equivalents		6,490,016	-	-
Trade & other receivables		1,929,535	-	-
Other Investments		-	8,000,000	-
Total		8,419,551	8,000,000	-
Non-current assets measured at fair value				
Land & buildings	30/6/2019	-	26,680,914	-
Plant & equipment		-	1,650,589	-
Other non-current assets		-	897,645	-
Total		-	29,229,148	-
Liabilities measured at fair value				-
Trade & other payables		17,548,055	-	-
Lease liability		1,119,095	-	-
Bank Mortgage Loan		7,224,355		
Total		25,891,505	-	-

Note 18 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or Commissioner:

(1) A member of a reporting unit, or the Commissioner, 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).

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

Report on Audit of the Financial Report

Opinion

We have audited the financial report of the Australian Education Union Victorian Branch (the "Branch") and it subsidiaries (the "Group") which comprises the consolidated balance sheet as at 31 December 2020, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statement including comprising a summary of significant accounting policies and other explanatory information, the Committee of Management Statement and the subsection 255(2A) report

In our opinion,

(i) the accompanying financial report of the Group:

a) presents fairly, in all material respects, the financial position of the Group as at 31 December 2020 and the results of its operations, its changes in equity and cash flows for the year then ended; and

b) complying the Australian Accounting Standards; and

c) 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).

(ii) the Committee of Management's use of the going concern basis of accounting in the preparation of the Group's financial statements 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 audit opinion.

Independence

We are independent of the Group in accordance with auditor independent requirements ethical requirements of the Accounting Professional and Ethical Standards Board's APES110 Code of Ethics for Professional Accountants (the "Code") that are relevant to our audit of the financial report in Australia. We have fulfilled our other ethnical responsibilities in accordance with the Code.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH (Continued)

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor’s report is in the Operating Report accompanying the financial report.

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

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor 's responsibility for the audit of the financial report

Our objectives are 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 this financial report.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH (Continued)

Auditor 's responsibility for the audit of the financial report (Continued)

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Committee of Management.
- Conclude on the appropriateness of the Committee of Management s' use of the going concern basis of accounting in the preparation of the financial report. We also conclude, based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the disclosures in the financial report about the material uncertainty or, if such disclosures are inadequate, to modify the opinion on the financial report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Obtain sufficient appropriate audit evidence regarding the financial information of the Group or activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH (Continued)

I declare that I am an approved auditor, a member of The Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

BGL Partners

I. A. Hinds - Partner
Registration number (as registered by the RO Commissioner under RO Act): AA2017/87

Melbourne 17 May 2021