

**AUSTRALIAN EDUCATION UNION  
VICTORIAN BRANCH  
AND CONTROLLED ENTITIES**

**ABN: 44 673 398 674**

**Financial Report For The Year Ended  
31 December 2021**



**AEU Victoria**

**126 Trenerry Crescent, Abbotsford VIC 3067**

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**Financial Report For The Year Ended 31 December 2021**

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# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## 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.

Whilst the principal activities of the AEU Victorian Branch during the 2021 financial year again had a particular focus on the COVID-19 pandemic and its impact on the education sector, 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 2021 across every sector. The dedication, resourcefulness and capacity to adapt has continued to be 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 the last two COVID-19 years adds evidence and impetus to our industrial and political campaigns. At a federal level, the continued lack of investment and respect shown for public education by the Morrison government in 2021 was no less than disgraceful. The contrast with additional resources being directed to the non-government school sector to assist them during the pandemic shows a complete disrespect for public education and the majority of Victorian children we educate.

Of course, we did not need a pandemic to identify the levels of disadvantage in public education, they were already starkly visible. The pandemic did however serve to highlight the gross inequity that exists between public and private education in this country. Research commissioned by AEU Federal in 2020 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

**ABN: 44 673 398 674**

## **OPERATING REPORT (Continued)**

### **Review of principal activities and results of operations (Continued)**

The COVID-19 pandemic continued to highlight 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, which occurred on a number of occasions throughout the year. There was also extensive work involved in the lead up to the vaccine roll out for staff and students and the introduction of vaccine mandates for education staff across all settings.

In 2021 there was again a focus on arrangements for senior secondary students undertaking the Victorian Certificate of Education (VCE) and the Victorian Certificate of Applied Learning (VCAL). The 2021 end of year exams were held face to face, with a range of COVID safe measures in place. There was a vaccine blitz prior to exams commencing to try and ensure as many students as possible were vaccinated, social distancing and ventilation arrangements in exam rooms, special arrangements in place for students who were close contacts to be able to sit exams in separate isolated areas along with consideration for COVID-19 positive students who were unable to sit their exams.

The AEU advocated during 2020 for additional support for students impacted by long periods of remote learning, with the state government announcing \$250m of funding for the 2021 school year. Victorian schools engaged over 6400 teachers to work as tutors in schools in 2021. The tutors provided extra support to students whose learning was disrupted due to the COVID-19 pandemic in 2020 (and this initiative will continue in 2022), and this has significantly assisted schools to support students.

The early childhood (EC) sector was deemed an essential service for much of 2021, with centres largely remaining open, supporting the children of essential workers and vulnerable students. Early childhood settings were impacted by outbreaks and the required COVID safe measures placed a significant additional burden on our EC members. While the state government provided funding to employers in EC for additional cleaning, this was not always utilised to provide the workload relief needed. EC settings were also able to access state government funding for ventilation measures, to support airflow in classrooms and access to shade sails to allow for increased outdoor activity. The additional workload and stress associated with concerns about exposure to COVID-19, took its toll on the workforce.

TAFE Institutes largely delivered their programs remotely during 2021, with some exemptions for the trades and other courses which continued onsite classes where necessary. There was funding support provided by the state government, to address the loss of revenue, particularly from the absence of overseas students. Vaccines, while broadly mandated, had an exception for students undertaking assessment, which gave a considerable number of students an exemption, raising health and safety concerns for AEU TAFE members. The AEU worked extensively with health and safety representatives to provide them with the support they needed to navigate the COVID safe guidelines provided by the Department to TAFEs.

The impact on the disability sector during 2021 continued to be adverse. Most programs were suspended during lockdowns, with some provision for remote access, however given the complex needs of many disability program participants, this was not consistently offered, again resulting in some of the most vulnerable in our community, left without the support and care they needed.

After several years of disruption and uncertainty, including the 2019 catastrophic bushfires, the COVID-19 pandemic and rising anxiety about the future of work, concern about the mental health of our young people grew – and evidence shows the complexity of student needs, staffing shortages and disadvantage are magnified in remote and regional settings. The Victorian government provided funding of \$51.2m for all secondary schools to employ a mental health practitioner by the end of 2021, along with a pilot in 100 primary schools. In addition, a \$200 million fund for schools was announced, which was designed to better support students' mental health by providing schools a range of evidence-based programs and initiatives to select for their school. There still remains much more to be done in regard to health and wellbeing for both students and staff across all education settings, and the full impact of these significant events is probably yet to be realised.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## OPERATING REPORT (Continued)

### Review of principal activities and results of operations (Continued)

2021 again showed the thousands of AEU members across all sectors – staff, principals, sub-branch representatives and health and safety officers – went above and beyond from managing COVID-19 cases at the local level, COVID safe plans, implementation of OHS and DET guidelines, and supporting vulnerable families, on top of juggling on-site and remote provision. This has resulted in a very tired workforce after two years of tremendous effort.

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

In early childhood, after a strong campaign effort in 2020, we had two new major enterprise agreements approved by the Fair Work Commission in 2021 – Early Education Employees Agreement (EEEE) 2020 for the local government sector, and Victorian Early Childhood Teachers and Educators Agreement (VECTEA) 2020 for the community sector – with significant improvements in pay and conditions for early childhood teachers and educators.

An overwhelming 99% of employees voted in favour of the new EEEA, and 98.5% for the VECTEA.

These two agreements set the benchmark for the rest of the early childhood sector.

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 2021-22 federal budget finally provided for this ongoing funding. The *Preschool Funding Now* campaign was instrumental in securing this commitment from the Morrison government in the federal budget. However, this commitment is still subject to numerous qualifications and caveats by the Commonwealth.

We continue to campaign for the introduction of federal funding for preschool education for all 3-year-olds, to ensure universal access for all children to two years of early childhood education, which the Victorian government has committed to and is currently implementing.

The AEU continued to work with 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 education and care 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 was represented in Canberra in March at the launch of the AEU federal *Every School Every Child* campaign which has and will continue to be a focus of our work in the lead up to the 2022 federal election. This campaign builds on the work and achievements of the AEU's *I Give a Gonski* and *Fair Funding Now* campaigns. Every school should be provided the resources to ensure every child gets the best education, regardless of their background or circumstances. The policy priorities of the campaign are to ensure all public schools are resourced to a minimum 100 per cent of the Schooling Resource Standard (SRS); removing the twenty per cent federal funding cap on the SRS; establishing a capital fund for public schools to upgrade schools, classrooms, and facilities; and providing more support for students with disability through the provision of additional funding.

The key focus of the Victorian schools' sector campaigning in 2021 was on the continuing negotiations for a new Victorian Government Schools Agreement (VGSA). The AEU met with the Victorian Department of Education and Training (DET) on a very regular basis in 2021, to reach a new agreement. The AEU campaigned actively throughout 2021 in order to put pressure on the Andrews government to address our extensive log of claims, including key issues of workload relief and salaries.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

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## OPERATING REPORT (Continued)

### Review of principal activities and results of operations (Continued)

Campaign activities included participating in the AEU Victorian Branch State of Our Schools survey, which provided critical data about workloads; lobbying local Victorian members of parliament to highlight workload concerns; recording the hours of unpaid work involved in report-writing activities; 'Wear Red' days to highlight the campaign and build solidarity amongst members; education support staff members writing 'Dear James' letters to the Minister for Education highlighting their workload and the importance of their work in schools; principal class members participating in a photo petition demanding greater respect and support; casual relief teachers (CRTs) writing letters to the Minister for Education; speaking publicly in the media; posting comments and information through social media platforms; and taking protected industrial action including bans on certain types of work and Labor politicians visiting schools.

The COVID-19 crisis has made campaigning challenging, and yet at the same time, has resulted in increased respect and appreciation from parents for what AEU members and public schools do. The Victorian Branch has worked with AEU federal to continue its focus on media and social/digital media presence, including producing research and reports that produced strong media interest.

- The results from the union's State of our Schools Survey of members generated media around several different issues including COVID-19, disability issues, Initial Teacher Education, NAPLAN, teacher workload, and the need for additional resources. This included the issue of teachers dipping into their own pocket for resources because schools are not adequately resourced.
- External research commissioned by the AEU on recurrent school funding and capital school funding identified the \$27 billion gap over four years between current levels of public school funding and what ought to be provided if schools were funded to 100% of the SRS. As well as releasing this to media, the research was used as part of a series of webinars around school funding.
- The AEU also commissioned research with Aboriginal and Torres Strait Islander members and parents to integrate the voice of Aboriginal and Torres Strait Islander people into the campaign. The AEU has held a series of online webinars for Aboriginal and Torres Strait Islander people to discuss public education issues. Artwork to support the campaign has also been commissioned.
- Submissions to government and education council meetings were also used to generate media stories and social media.
- External qualitative and quantitative research undertaken by the AEU informed political lobbying.

The AEU again implemented supporter based campaigning actions around key dates, such as Public Education Day 2021 where dozens of organisations signed on to an open letter to the Prime Minister that was published in *The Age*, the *Sydney Morning Herald*, and the *Financial Review*.

Late in 2021 the AEU ran webinars in select federal electorates accompanied by an advertising campaign including social media, billboards, newspapers and digital news. In Victoria, these webinars held in October were targeted at members in Geelong (Corangamite and Corio) and in north/west Melbourne (Scullin and Maribyrnong). We have also continued to directly lobby federal politicians on a regular basis. Profiles of all 151 federal electorates were created to inform these lobbying activities and published on the *Every School Every Child* website.

The Federal *Rebuild with TAFE* campaign was launched in February 2021 and AEU Victoria has continued to campaign locally against the backdrop of federal cuts to TAFE funding, ongoing privatisation of the VET sector and the impact this has on the quality of the provision of vocational education in this country.

The major focus of the *Rebuild with TAFE* campaign is to secure a guarantee from all major political parties of a minimum of 70 per cent of total 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 in the vocational education sector.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

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## OPERATING REPORT (Continued)

### Review of principal activities and results of operations (Continued)

The AEU conducted the State of our TAFEs survey of over 1,500 AEU members in late 2021. The survey found that TAFE teachers across the country are working above their contracted hours, the pace or intensity of their work has increased in the last two years and their current workload is unmanageable. The results of the survey were used to generate media around issues of teacher workload, course closures and the impact of funding shortfalls on TAFE provision and to inform the ongoing campaigning of the AEU.

National TAFE Day was celebrated on 11 August 2021 with union members and supporters celebrating the achievements of TAFE. Despite face to face activities being negatively impacted due to COVID-19, National TAFE Day 2021 had significant reach in terms of media and social media. Videos and blogs in support of TAFE were widely shared across social media, and lobbying meetings were held with politicians virtually due to COVID circumstances.

The AEU's activities were directed towards securing investment in TAFE as a critical component of Australia's economic recovery post COVID-19, with actions adapted towards online engagement with the broader community and targeted politicians.

The AEU continues to campaign for the Federal Government to take the following steps to guide Australia, and particularly young Australians, through and beyond the COVID-19 crisis:

- Recognise and fund TAFE as the valued public education institution that provides public vocational education for all
- Prioritise rebuilding with TAFE at the forefront of national recovery efforts through immediate increased federal funding support and investment in infrastructure, equipment, staffing and programs;
- Restore the more than \$8 billion funding cut from TAFE and vocational education since 2013;
- Implement targeted support for public VET providers, guaranteeing a minimum of 70% of all government VET funding to TAFE.

The AEU also continued to campaign at the state level, voicing our significant concerns about the financial viability of many of Victoria's TAFE Institutes. The Andrews government extended the free TAFE places program again in 2021. This measure, alongside some additional funding, was welcome, however until there is a deep commitment at all levels of government to ensure adequate TAFE funding is provided that covers the actual cost of course provision, 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.

### Results of activities

The *Every School, Every Child* campaign has refocused and revitalised the decades long school funding campaign. This campaign continues to be hugely important to AEU members and education is an issue of concern to both members and supporters. During 2021 the AEU has continued to develop the awareness of members, politicians, and the public about the impact of the unfair and inequitable school funding policies of the federal government on public schools and students through: campaigning; commissioning research; and lobbying political parties. Public polling continually shows the public is concerned about fair funding for every school and every child.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

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## OPERATING REPORT (Continued)

### Results of activities (Continued)

Negotiations for a new Victorian Government Schools Agreement continued throughout 2021. The campaigning efforts of members throughout 2021 were successful in raising the public understanding of the excessive and unsustainable workloads of teachers, principals and support staff in schools, as well as putting these issues on the radar of politicians. This was instrumental in pressuring government to focus on and consider addressing the range of claims put forward by the AEU in the bargaining process.

The TAFE funding campaign has enhanced the understanding of the broader community of the economic and social benefits of TAFE and the role VET and TAFE need to play as the economy rebuilds post COVID. 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. In this way, campaigning by the AEU has been responsible for commitments made by some political parties to address these issues through enhanced funding allocations.

The AEU Victorian Branch's participation in the state government review 'Skills for Victoria's Growing Economy' in 2020, and the subsequent release of the report to government in 2021, 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. Through continued campaigning, some of the recommendations arising from this report are being implemented, with other ongoing funding for initiatives such as Free TAFE, which has seen an increase in the proportion of students in the VET sector undertaking qualifications at TAFE. 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.

The Preschool Funding Now campaign for universal pre-school education for all four-year-old and three-year-old children has resulted in an ongoing funding commitment from the Morrison government for Universal Access to fifteen hours of pre-school delivered by a qualified teacher for all four-year-olds in the 2021-22 Federal Budget. The campaign has also achieved greater awareness of the funding shortfall for Universal Access and increased engagement of the pre-school community in the campaign. The importance of pre-school education is now widely understood and supported and the number of community organisations calling for on-going funding has increased. 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 scholarship schemes.

The achievement of two benchmark agreements on salaries and working conditions was a significant win for the AEU and the EC sector in Victoria, particularly in the context of the need for thousands of additional educators and teachers with the roll out of three-year-old programs. Having competitive salaries and conditions with teachers and educators in the school sector will strengthen the capacity of the EC sector to attract and retain staff.

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 over 2020 and 2021 will continue to inform our work in the future as we resume more 'normal' working arrangements in 2022. 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 2021

- Submission to the Victorian Government's policy paper *Working Together to Build Victoria's Kindergarten Workforce Strategy*
- Submission to the Victorian Government on the *Victorian Government State Budget 2022-23*



# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## OPERATING REPORT (Continued)

### 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

**ABN: 44 673 398 674**

## **OPERATING REPORT (Continued)**

### **Branch Executive members for 2021 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:

<b>NAME</b>	
AMES Lily	Resigned 11/07/2021
AULICH Erin	
BURTON Tanya	
D'ORTENZIO Marino	
EDWARDS Krystyna	
FEWKES Rebekah	From 26/03/2021
FISCHER Debra	
GILLESPIE Elaine	
HARRIS Justin	
HOLLEY Seir	
HONDA Hanae	Resigned 23/07/2021
HUMPHRIES Ann (Jessie)	
JOHNSTON Wayne	Term of office ended 31/12/2021
JONES Craig	Term of office ended 31/12/2021
KOLBER Jemina	
MULLALY Justin	
NIGHTINGALE Cara	
PACE Michael	
PEACE Meredith	
PONTIKIS Mary-Anne	
RATJE Heidi	From 30/07/2021
SMITH Phillip	Term of office ended 31/12/2021
STOKES Briley	
TENSON Katrina	

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## 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

Antoinette Masiero is 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 50,088 (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.

Signature of designated officer



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

Dated:

11/5/22

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## COMMITTEE OF MANAGEMENT STATEMENT

for the year ended 31 December 2021

On 9 May 2022 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 2021:

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



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

Dated:

11/5/22

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH  
AND CONTROLLED ENTITIES**

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**STATEMENT OF COMPREHENSIVE INCOME**  
*for the year ended 31 December 2021*

		<b>Consolidated</b>		<b>Parent</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Notes	\$	\$	\$	\$
<b>Revenue from contracts with customers</b>	3				
Membership subscription		25,939,618	24,731,382	25,939,607	24,731,369
Capitation fees		-	-	-	-
Levies	3A	1,090,557	1,011,633	1,090,557	1,011,633
<b>Total revenue from contracts with customers</b>		<b>27,030,175</b>	<b>25,743,015</b>	<b>27,030,164</b>	<b>25,743,002</b>
<b>Income for furthering objectives</b>					
Grants and/or donations	3B	259,127	231,140	-	-
<b>Total income for furthering objectives</b>		<b>259,127</b>	<b>231,140</b>	<b>-</b>	<b>-</b>
<b>Other Income</b>					
Interest	3C	55,651	132,808	55,651	100,392
Rental revenue	3D	550,255	280,270	550,255	280,270
Other revenue	3E	227,176	328,962	225,479	290,685
Dividend received	3F	-	-	-	9,783,365
<b>Total other income</b>		<b>833,082</b>	<b>742,040</b>	<b>831,385</b>	<b>10,454,712</b>
<b>Total income</b>		<b>28,122,384</b>	<b>26,716,195</b>	<b>27,861,549</b>	<b>36,197,714</b>
<b>Expenses</b>					
Employee expenses	4A	15,230,196	14,990,773	15,060,218	14,845,659
Capitation fees	4B	2,509,787	2,377,251	2,509,787	2,377,251
Affiliation fees	4C	253,141	248,036	253,141	248,036
Administration expenses	4D	4,243,111	3,703,659	4,239,807	3,698,134
Grants or donations	4E	112,500	130,600	112,500	130,600
Depreciation and amortisation	4F	1,203,462	1,111,537	1,203,462	1,111,537
Finance costs	4G	170,092	255,545	170,092	255,545
Legal costs	4H	990,079	1,344,703	990,079	1,344,703
Training expenses		41,463	46,028	-	-
Audit fees	14	14,950	58,065	11,000	42,110
<b>Total expenses</b>		<b>24,768,781</b>	<b>24,266,197</b>	<b>24,550,086</b>	<b>24,053,575</b>
<b>Profit for the year before tax</b>		<b>3,353,603</b>	<b>2,449,998</b>	<b>3,311,463</b>	<b>12,144,139</b>
<b>Income tax revenue</b>	4I	-	46,029	-	-
<b>Profit for the year</b>		<b>3,353,603</b>	<b>2,496,027</b>	<b>3,311,463</b>	<b>12,144,139</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the year</b>		<b>3,353,603</b>	<b>2,496,027</b>	<b>3,311,463</b>	<b>12,144,139</b>

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## STATEMENT OF FINANCIAL POSITION

as at 31 December 2021

	Notes	Consolidated		Parent	
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and cash equivalents	5A	11,758,776	10,527,610	11,720,177	10,475,009
Trade and other receivables	5B	1,460,217	1,417,806	1,385,417	1,418,003
Other current assets	5C	1,220,004	455,087	1,218,014	453,238
Inventories	5D	79,837	-	79,837	-
Other investment	6F	-	-	-	8,000,000
<b>Total current assets</b>		<b>14,518,834</b>	<b>12,400,503</b>	<b>14,403,445</b>	<b>20,346,250</b>
<b>Non-current assets</b>					
Land and buildings	6A	17,641,293	17,897,788	17,641,293	17,897,788
Plant and equipment	6B	933,318	599,510	933,318	599,510
Right-of-use assets	6C	309,333	632,541	309,333	632,541
Investment property	6D	8,688,994	8,815,327	8,688,994	8,815,327
Intangibles	6E	242,425	458,347	242,425	458,347
<b>Total non-current assets</b>		<b>27,815,363</b>	<b>28,403,513</b>	<b>27,815,363</b>	<b>28,403,513</b>
<b>Total assets</b>		<b>42,334,197</b>	<b>40,804,016</b>	<b>42,218,808</b>	<b>48,749,763</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade payables	7A	439,202	529,122	437,182	527,102
Other payables	7B	326,377	824,870	318,307	819,435
Borrowings	7C	136,066	181,340	136,066	8,187,208
Income tax liabilities		-	5,868	-	-
Right-of-use liabilities	7D	230,533	433,727	230,533	433,727
Employee provisions	8A	1,425,905	1,111,329	1,409,544	1,111,329
<b>Total current liabilities</b>		<b>2,558,083</b>	<b>3,086,256</b>	<b>2,531,632</b>	<b>11,078,801</b>
<b>Non-current liabilities</b>					
Employee provisions	8A	2,100,712	1,836,771	2,100,712	1,836,771
Borrowings	9A	4,456,654	5,883,549	4,456,654	5,883,549
Right-of-use liabilities	7D	90,407	222,702	90,407	222,702
<b>Total non-current liabilities</b>		<b>6,647,773</b>	<b>7,943,022</b>	<b>6,647,773</b>	<b>7,943,022</b>
<b>Total liabilities</b>		<b>9,205,856</b>	<b>11,029,278</b>	<b>9,179,405</b>	<b>19,021,823</b>
<b>Net assets</b>		<b>33,128,341</b>	<b>29,774,738</b>	<b>33,039,403</b>	<b>29,727,940</b>
<b>MEMBERS' FUNDS</b>					
Retained profits	10A	33,128,341	29,774,738	33,039,403	29,727,940
<b>Total members' funds</b>		<b>33,128,341</b>	<b>29,774,738</b>	<b>33,039,403</b>	<b>29,727,940</b>

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH  
AND CONTROLLED ENTITIES**

**ABN: 44 673 398 674**

**STATEMENT OF CHANGES IN EQUITY**

*for the year ended 31 December 2021*

<b>Consolidated</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
<b>Balance as at 1 January 2020</b>	27,278,711	27,278,711
Profit for the year	2,496,027	2,496,027
<b>Closing balance at 31 December 2020</b>	29,774,738	29,774,738
Profit for the year	3,353,603	3,353,603
<b>Closing balance at 31 December 2021</b>	33,128,341	33,128,341

<b>Parent</b>	<b>Retained earnings \$</b>	<b>Total equity \$</b>
<b>Balance as at 1 January 2020</b>	17,583,801	17,583,801
Profit for the year	12,144,139	12,144,139
<b>Closing balance at 31 December 2020</b>	29,727,940	29,727,940
Profit for the year	3,311,463	3,311,463
<b>Closing balance at 31 December 2021</b>	33,039,403	33,039,403

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH  
AND CONTROLLED ENTITIES**

**ABN: 44 673 398 674**

**CASHFLOW STATEMENT**

*for the year ended 31 December 2021*

		<b>Consolidated</b>		<b>Parent</b>	
		<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	Notes	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>OPERATING ACTIVITIES</b>					
<b>Cash received</b>					
Interest		76,643	228,409	76,643	139,139
Membership receipts		29,457,076	28,992,436	29,457,064	28,992,422
Rental receipts		683,978	317,858	683,978	317,858
Receipts from other reporting units / controlled entity(s)	11C	-	-	54,631	9,837,344
Grant received		210,240	254,254	-	-
Government COVID-19 assistance		-	137,470	-	100,000
Other		263,409	184,034	213,722	126,559
<b>Cash used</b>					
Employees		(14,944,445)	(14,318,331)	(14,790,828)	(14,318,331)
Suppliers		(8,933,301)	(8,146,793)	(8,867,608)	(7,871,163)
Income tax (paid) refund		(5,868)	(2,175,065)	-	-
Interest paid		(170,092)	(255,545)	(170,092)	(255,545)
Payment to other reporting units/controlled entity(s)	11C	(2,969,303)	(2,810,258)	(2,969,303)	(2,810,258)
<b>Net cash from operating activities</b>	11B	<b>3,668,337</b>	<b>2,408,469</b>	<b>3,688,207</b>	<b>14,258,025</b>
<b>INVESTING ACTIVITIES</b>					
<b>Cash used</b>					
Purchase of intangibles		(84,730)	-	(84,730)	-
Purchase of property, plant and equipment		(443,418)	(164,912)	(443,418)	(164,912)
<b>Net cash from (used by) investing activities</b>		<b>(528,148)</b>	<b>(164,912)</b>	<b>(528,148)</b>	<b>(164,912)</b>
<b>FINANCING ACTIVITIES</b>					
<b>Cash received</b>					
Receipts from other reporting units / controlled entity(s)	11C	-	-	-	1,457,447
<b>Cash used</b>					
Repayment of bank loan		(1,472,169)	(1,159,466)	(1,472,169)	(1,159,466)
Repayment of lease liabilities		(436,854)	(585,193)	(436,854)	(585,193)
Repayment of borrowings		-	1,537	(5,868)	(9,820,908)
<b>Net cash (used by) financing activities</b>		<b>(1,909,023)</b>	<b>(1,743,122)</b>	<b>(1,914,891)</b>	<b>(10,108,120)</b>
<b>Net increase in cash held</b>		<b>1,231,166</b>	<b>500,435</b>	<b>1,245,168</b>	<b>3,984,993</b>
Cash & cash equivalents at the beginning of the reporting period		10,527,610	10,027,175	10,475,009	6,490,016
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	11A	<b>11,758,776</b>	<b>10,527,610</b>	<b>11,720,177</b>	<b>10,475,009</b>



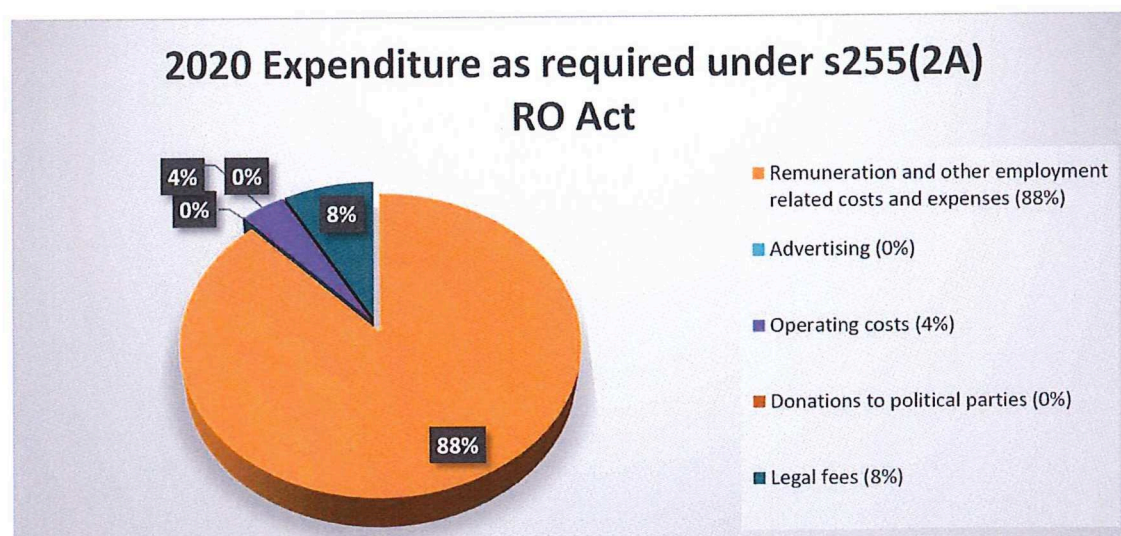
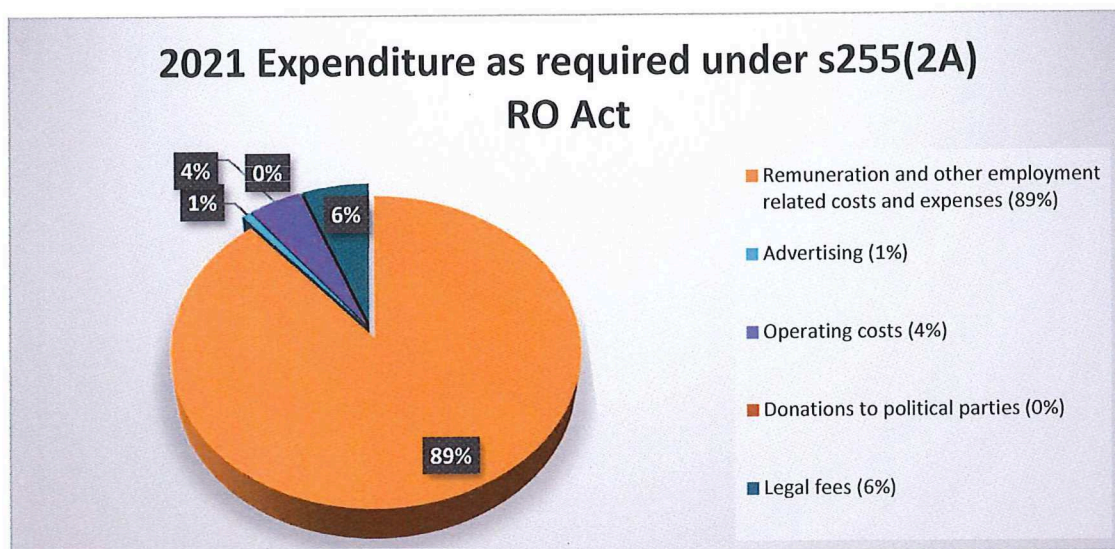
**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH  
AND CONTROLLED ENTITIES**

**ABN: 44 673 398 674**

**REPORT REQUIRED UNDER SUBSECTION 255(2A)**

*for the year ended 31 December 2021*

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 2021.



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

Signature of designated officer

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

Dated:

11/5/22

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH  
AND CONTROLLED ENTITIES**

**ABN: 44 673 398 674**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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 2021 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 2021-1 – 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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.



# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### 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.

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### **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 and buildings**

##### ***Asset recognition threshold***

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

##### ***Depreciation***

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

##### ***Derecognition***

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

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**Note 1      Summary of significant accounting policies (Continued)**

**1.22   Plant and equipment**

***Asset recognition threshold***

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

***Depreciation***

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

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

	2021	2020
Plant and equipment	3 years	3 years

***Derecognition***

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

**1.23   Investment property**

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

***Depreciation***

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

***Derecognition***

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



# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### Note 1 Summary of significant accounting policies (Continued)

#### 1.24 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:

	2021	2020
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.

#### 1.25 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.

#### 1.26 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.

**NOTES TO THE FINANCIAL STATEMENTS  
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**Note 1      Summary of significant accounting policies (Continued)**

**1.27 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

# AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH AND CONTROLLED ENTITIES

ABN: 44 673 398 674

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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### **Note 1      Summary of significant accounting policies (Continued)**

#### **1.28   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.

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**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	<b>27,030,175</b>	25,743,015	<b>27,030,164</b>	25,743,002
<b>Total revenue from contracts with customers</b>	<b>27,030,175</b>	25,743,015	<b>27,030,164</b>	25,743,002

**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	<b>259,127</b>	233,140	-	-
<b>Total income for furthering activities</b>	<b>259,127</b>	233,140	-	-

**Note 3A: Levies**

Public Education campaign Levy	<b>1,090,557</b>	1,011,633	<b>1,090,557</b>	1,011,633
<b>Total levies</b>	<b>1,090,557</b>	1,011,633	<b>1,090,557</b>	1,011,633

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	<b>259,127</b>	233,140	-	-
<b>Total grants or donations</b>	<b>259,127</b>	233,140	-	-

**Note 3C: Interest**

Bank Deposits	<b>55,651</b>	132,808	<b>55,651</b>	100,392
<b>Total interest</b>	<b>55,651</b>	132,808	<b>55,651</b>	100,392

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	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 3 Revenue and Income (Continued)</b>				
<b>Note 3D: Rental revenue</b>				
Properties	550,255	280,270	550,255	280,270
<b>Total rental revenue</b>	<b>550,255</b>	<b>280,270</b>	<b>550,255</b>	<b>280,270</b>
<b>Note 3E: Other revenue</b>				
Government COVID-19 assistance	-	137,470	-	100,000
Training income	47,395	43,142	-	-
Revenue from undertaking recovery of wages activity	-	14,850	-	14,850
Financial support from another reporting unit	-	-	-	-
Reimbursements received	79,226	80,367	127,092	122,702
Bequest	1,466	2,493	1,466	2,493
Other	99,089	50,640	96,921	50,640
<b>Total other revenue</b>	<b>227,176</b>	<b>328,962</b>	<b>225,479</b>	<b>290,685</b>
<b>Note 3F: Dividend received</b>				
Dividend from subsidiary	-	-	-	9,783,365
<b>Total dividend received</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,783,365</b>

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	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 4 Expenses</b>				
<b>Note 4A: Employee expenses</b>				
<b>Holders of office:</b>				
Wages and salaries	1,451,380	1,445,600	1,451,380	1,445,600
Superannuation	235,588	232,198	235,588	232,198
Leave and other entitlements	92,276	72,810	92,276	72,810
Separation and redundancies	-	-	-	-
Other employee expenses	124,876	131,934	124,876	131,934
<b>Subtotal employee expenses holders of office</b>	<b>1,904,120</b>	<b>1,882,542</b>	<b>1,904,120</b>	<b>1,882,542</b>
<b>Employees other than office holders:</b>				
Wages and salaries	10,306,309	10,288,694	10,178,055	10,140,957
Superannuation	1,653,691	1,624,952	1,630,729	1,603,744
Leave and other entitlements	459,541	217,382	443,180	243,930
Separation and redundancies	-	-	-	-
Other employee expenses	906,535	977,203	904,134	974,486
<b>Subtotal employee expenses employees other than office holders</b>	<b>13,326,076</b>	<b>13,108,231</b>	<b>13,156,098</b>	<b>12,963,117</b>
<b>Total employee expenses</b>	<b>15,230,196</b>	<b>14,990,773</b>	<b>15,060,218</b>	<b>14,845,659</b>

**Note 4B: Capitation fees & Levies**

<i>AEU Federal Office</i>				
- Capitation fee	1,684,063	1,581,804	1,684,063	1,581,804
- Publication Levy – (A) Aust Educator	174,389	168,559	174,389	168,559
- Publication Levy – (B) TAFE Teacher	9,929	9,855	9,929	9,855
- Public Education Levy	197,660	191,328	197,660	191,328
- ACTU Subscriptions	317,244	300,863	317,244	300,863
- Education International	126,502	124,842	126,502	124,842
<b>Total capitation fees</b>	<b>2,509,787</b>	<b>2,377,251</b>	<b>2,509,787</b>	<b>2,377,251</b>

*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

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	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 4C: Affiliation fees</b>				
Australian Asia Worker Links	-	2,000	-	2,000
Campaign for International Co-operation and Disarmament	150	-	150	-
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	7,110	6,984	7,110	6,984
Gippsland Trades Hall Council	6,234	6,234	6,234	6,234
Goulburn Valley Trades Hall Council	2,400	2,400	2,400	2,400
North East Trades Hall Council	2,884	2,884	2,884	2,884
South West Trades Hall Council	2,250	2,250	2,250	2,250
Sunraysia Trades Hall Council	567	550	567	550
Victorian Trades Hall Council	221,346	214,534	221,346	214,534
<b>Total affiliation fees</b>	<b>253,141</b>	<b>248,036</b>	<b>253,141</b>	<b>248,036</b>

**Note 4D: Administration expenses**

Accounting services & subscriptions	6,890	4,757	6,890	4,757
Conference and meeting expenses	234,999	208,197	234,999	208,197
Consideration to employers for payroll deductions	-	-	-	-
Contribution to AEU Federal Office – International Trust Fund	174,000	164,000	174,000	164,000
Fees/allowances - meeting and conferences	-	-	-	-
Information communications technology	1,042,430	1,109,128	1,042,430	1,109,128
Lease and rental costs	82,759	9,171	82,759	9,171
Loss on disposals of assets	14,201	-	14,201	-
Member Services	135,465	101,019	135,465	101,019
Member Services – campaigns	520,432	360,400	520,432	360,400
Office expenses	246,188	214,077	246,188	214,077
Other	248,560	240,321	245,256	234,796
Payments of any other expenses to another reporting unit	-	-	-	-
Penalties imposed under the RO Act	-	-	-	-
Property expenses	722,872	683,908	722,872	683,908
Publications	814,315	608,681	814,315	608,681
<b>Total administration expenses</b>	<b>4,243,111</b>	<b>3,703,659</b>	<b>4,239,807</b>	<b>3,698,134</b>

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**ABN: 44 673 398 674**

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	Consolidated 2021 \$	2020 \$	Parent 2021 \$	2020 \$
<b>Note 4E: Grants or donations</b>				
Grants:				
Total paid that were \$1,000 or less	-	-	-	-
Total paid that exceeded \$1,000	90,000	110,000	90,000	110,000
Donations:				
Total paid that were \$1,000 or less	1,700	6,100	1,700	6,100
Total paid that exceeded \$1,000	20,800	14,500	20,800	14,500
<b>Total grants or donations</b>	<b>112,500</b>	<b>130,600</b>	<b>112,500</b>	<b>130,600</b>
<b>Note 4F: Depreciation and amortisation</b>				
Depreciation				
Property, plant and equipment	902,810	673,776	902,810	673,776
<b>Total depreciation</b>	<b>902,810</b>	<b>673,776</b>	<b>902,810</b>	<b>673,776</b>
Amortisation				
Intangibles	300,652	437,761	300,652	437,761
<b>Total amortisation</b>	<b>300,652</b>	<b>437,761</b>	<b>300,652</b>	<b>437,761</b>
<b>Total depreciation and amortisation</b>	<b>1,203,462</b>	<b>1,111,537</b>	<b>1,203,462</b>	<b>1,111,537</b>
<b>Note 4G: Finance costs</b>				
Mortgage Loan	152,831	215,534	152,831	215,534
Lease interest – right-of-use assets	17,261	38,806	17,261	38,806
ATO interest	-	1,205	-	1,205
<b>Total finance costs</b>	<b>170,092</b>	<b>255,545</b>	<b>170,092</b>	<b>255,545</b>
<b>Note 4H: Legal costs</b>				
Litigation	948,705	1,309,048	948,705	1,309,048
Other legal matters	41,374	35,655	41,374	35,655
<b>Total legal costs</b>	<b>990,079</b>	<b>1,344,703</b>	<b>990,079</b>	<b>1,344,703</b>



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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 4I: Income Tax expenses</b>				
<b>(a) Income tax expense:</b>				
Current tax	-	5,868	-	-
Prior year	-	(51,897)	-	-
	-	(46,029)	-	-
<b>(b) Numerical reconciliation of income tax expense to prima facie tax payable:</b>				
Profit from continuing operations before income tax expense	<b>3,353,603</b>	2,449,998	<b>3,311,463</b>	12,144,139
Tax at the Australian tax rate of 30% (2020 – 30%)	<b>1,006,081</b>	734,999	<b>993,439</b>	3,643,242
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
- Sundry items	-	(20,899)	-	-
- Tax exempt portion	<b>(1,006,081)</b>	(708,232)	<b>(993,439)</b>	(3,643,242)
Prior year tax adjustment	-	(51,897)	-	-
Income tax expense	-	(46,029)	-	-
<b>(c) Deferred income tax (revenue) expense included in income tax expense comprises:</b>				
(Decrease) increase in deferred tax liabilities	-	-	-	-
	-	-	-	-

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 5 Current assets</b>				
<b>Note 5A: Cash and cash equivalents</b>				
Cash at bank	1,899,681	1,444,443	1,861,082	1,391,842
Cash on hand	51	605	51	605
Short term deposits	9,859,044	9,082,562	9,859,044	9,082,562
<b>Total cash and cash equivalents</b>	<b>11,758,776</b>	<b>10,527,610</b>	<b>11,720,177</b>	<b>10,475,009</b>
<b>Note 5B: Trade and other receivables</b>				
Receivables from other reporting unit	-	-	-	-
Less loss allowance	-	-	-	-
Receivable from other reporting unit	-	-	-	-
<b>Other receivables:</b>				
Other trade receivables	1,460,217	1,417,806	1,385,417	1,418,003
<b>Total other receivables</b>	<b>1,460,217</b>	<b>1,417,806</b>	<b>1,385,417</b>	<b>1,418,003</b>
<b>Total trade and other receivables (net)</b>	<b>1,460,217</b>	<b>1,417,806</b>	<b>1,385,417</b>	<b>1,418,003</b>
<b>Note 5C: Other current assets</b>				
Prepayments	1,220,004	455,087	1,218,014	453,238
<b>Total other current assets</b>	<b>1,220,004</b>	<b>455,087</b>	<b>1,218,014</b>	<b>453,238</b>
<b>Note 5D: Inventory</b>				
Inventory	79,837	-	79,837	-

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 6      Non-current assets</b>				
<b>Note 6A: Land and buildings</b>				
Land and buildings:				
At cost	<b>17,897,788</b>	17,897,788	<b>17,897,788</b>	17,897,788
Accumulated depreciation and impairment	<b>(256,495)</b>	-	<b>(256,495)</b>	-
<b>Total land and buildings</b>	<b>17,641,293</b>	17,897,788	<b>17,641,293</b>	17,897,788

***Reconciliation of the opening and closing balances of land and buildings***

<b>Net book value 1 January</b>	<b>17,897,788</b>	18,676,640	<b>17,897,788</b>	18,676,640
Re-classification (Note 6D)	-	(800,427)	-	(800,427)
Depreciation	<b>(256,495)</b>	-	<b>(256,495)</b>	-
Additions	-	21,575	-	21,575
<b>Net book value 31 December</b>	<b>17,641,293</b>	17,897,788	<b>17,641,293</b>	17,897,788

Previously buildings were not subject to depreciation as it was estimated that due to the age of the building, the fair value of the buildings were more than the residual value. During the year, the group re-assessed this and has commenced to apply depreciation over the future estimated life of the buildings.

As at 31 December 2021, an appraisal of the value of the land and buildings at 126 Trennery Crescent, Abbotsford (including the Investment property) was performed by Mr. David Bourke (Director of Fitzroys Pty Ltd), a licensed estate agent. This appraisal estimated that the value of land and building was between \$30 million and \$32 million. This has not been recorded in the financial report.

The land and building (including the Investment Property) is used as security for a bank loan of the AEU-Victorian Branch amounting to \$4.6 million (2020: \$6.1 million).

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	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 6 Non-current assets (Continued)</b>				
<b>Note 6B: Plant and equipment</b>				
Plant and equipment:				
at cost	1,393,347	1,031,984	1,393,347	1,031,984
accumulated depreciation	(460,029)	(432,474)	(460,029)	(432,474)
<b>Total plant and equipment</b>	<b>933,318</b>	<b>599,510</b>	<b>933,318</b>	<b>599,510</b>

**Reconciliation of the opening and closing balances of plant and equipment**

<b>Net book value 1 January</b>	<b>599,510</b>	554,625	<b>599,510</b>	554,625
Additions	<b>443,419</b>	132,711	<b>443,419</b>	132,711
Disposals	<b>(14,201)</b>	-	<b>(14,201)</b>	-
Depreciation expense	<b>(95,410)</b>	(87,826)	<b>(95,410)</b>	(87,826)
<b>Net book value 31 December</b>	<b>933,318</b>	<b>599,510</b>	<b>933,318</b>	<b>599,510</b>

**Note 6C: Right-of-use assets**

Right-of-use assets:				
at cost	1,570,944	2,122,012	1,570,944	2,122,012
accumulated depreciation	(1,261,611)	(1,489,471)	(1,261,611)	(1,489,471)
<b>Total right-of-use assets</b>	<b>309,333</b>	<b>632,541</b>	<b>309,333</b>	<b>632,541</b>

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

<b>Net book value 1 January</b>	<b>632,541</b>	1,095,964	<b>632,541</b>	1,095,964
Net Additions	<b>101,364</b>	122,527	<b>101,364</b>	122,527
Depreciation expense	<b>(424,572)</b>	(585,950)	<b>(424,572)</b>	(585,950)
<b>Net book value 31 December</b>	<b>309,333</b>	<b>632,541</b>	<b>309,333</b>	<b>632,541</b>

**Right-of-use assets consist of:**

Offices	154,347	126,708	154,347	126,708
Equipment	44,369	85,325	44,369	85,325
Motor vehicles	110,617	420,508	110,617	420,508
	<b>309,333</b>	<b>632,541</b>	<b>309,333</b>	<b>632,541</b>

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	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 6D: Investment property</b>				
Investment property:				
at cost	8,815,327	8,815,327	8,815,327	8,815,327
accumulated depreciation	(126,333)	-	(126,333)	-
<b>Total plant and equipment</b>	<b>8,688,994</b>	<b>8,815,327</b>	<b>8,688,994</b>	<b>8,815,327</b>
<b>Opening balance as at 1 January</b>	<b>8,815,327</b>	<b>8,004,274</b>	<b>8,815,327</b>	<b>8,004,274</b>
Re-classification	-	800,427	-	800,427
Depreciation	(126,333)	-	(126,333)	-
Additions	-	10,626	-	10,626
<b>Closing balance as at 31 December</b>	<b>8,688,994</b>	<b>8,815,327</b>	<b>8,688,994</b>	<b>8,815,327</b>

The Branch occupies 67% of the office space at 126 Trenerry Crescent Abbotsford VIC with 33% (2020: 33%) available for tenancy. As a result, 33% of the value of 126 Trenerry Crescent (parent company) is classified as an investment property.

**Amounts recognised in profit and loss for investment properties**

Rental income	550,255	280,270	550,255	280,270
Direct operating expenses from property that generated rental income	364,881	225,690	364,881	225,690
Direct operating expenses from property that did not generate rental income	-	-	-	-

**Note 6E: Intangibles**

Membership / leave systems				
At cost	2,679,933	2,595,204	2,679,933	2,595,204
Accumulated amortisation	(2,437,508)	(2,136,857)	(2,437,508)	(2,136,857)
<b>Total intangibles</b>	<b>242,425</b>	<b>458,347</b>	<b>242,425</b>	<b>458,347</b>

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

<b>Net book value 1 January</b>	<b>458,347</b>	<b>896,108</b>	<b>458,347</b>	<b>896,108</b>
Additions	84,730	-	84,730	-
Amortisation	(300,652)	(437,761)	(300,652)	(437,761)
<b>Net book value 31 December</b>	<b>242,425</b>	<b>458,347</b>	<b>242,425</b>	<b>458,347</b>

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 6F: Other investments</b>				
<b>Current assets</b>				
Shares in subsidiary	-	-	-	8,000,000

Note: The subsidiary, TFV Property Pty. Ltd. was deregistered during 2021

**Note 7 Current liabilities**

**Note 7A: Trade payables**

Trade creditors and accruals	<b>405,747</b>	249,493	<b>403,727</b>	247,473
Legal costs – litigation	<b>33,455</b>	279,629	<b>33,455</b>	279,629
Legal costs – other matters	-	-	-	-
<b>Subtotal trade creditors</b>	<b>439,202</b>	529,122	<b>437,182</b>	527,102
<b>Payables to other reporting unit</b>	-	-	-	-
<b>Total trade payables</b>	<b>439,202</b>	529,122	<b>437,182</b>	527,102

**Note 7B: Other payables**

Superannuation	-	154,665	-	152,886
Consideration to employers for payroll deductions	-	-	-	-
Prepayments received/unearned revenue	<b>58,625</b>	214,182	<b>58,625</b>	214,182
GST payable	<b>140,683</b>	213,233	<b>135,565</b>	220,687
Other	<b>127,069</b>	242,790	<b>124,117</b>	231,680
<b>Total other payables</b>	<b>326,377</b>	824,870	<b>318,307</b>	819,435
Total other payables are expected to be settled in:				
No more than 12 months	<b>326,377</b>	824,870	<b>318,307</b>	819,435
More than 12 months	-	-	-	-
<b>Total other payables</b>	<b>326,377</b>	824,870	<b>318,307</b>	819,435

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 7      Current liabilities (Continued)</b>				
<b>Note 7B: Other payables (Continued)</b>				
<b>Contract balances</b>				
The following table provides information about receivables and contract liabilities from contracts with customers				
Membership receivables	<b>812,085</b>	716,627	<b>812,085</b>	716,627
Membership fees received in advance	<b>58,625</b>	214,182	<b>58,625</b>	214,182
<i>Membership fees in advance represent advance consideration received from customers for which revenue is recognised in accordance with the satisfaction of performance obligations.</i>				
Significant changes in contract balances during the period are as follows:				
Revenue recognised that would include in the prepayments received/unearned revenue balances at beginning of period.	<b>214,182</b>	89,718	<b>214,182</b>	89,718
Increase due to cash received, excluding amounts recognised as revenue during the period	<b>(58,625)</b>	(214,182)	<b>(58,625)</b>	(214,182)
<b>Note 7C: Borrowings</b>				
Bank mortgage loan	<b>136,066</b>	181,340	<b>136,066</b>	181,340
Loan from subsidiary	-	-	-	8,005,868
<b>Total borrowings</b>	<b>136,066</b>	181,340	<b>136,066</b>	8,187,208
<b>Note 7D: Right-of-use liabilities</b>				
Current	<b>230,533</b>	433,727	<b>230,533</b>	433,727
Non-current	<b>90,407</b>	222,702	<b>90,407</b>	222,702
<b>Total right-of-use liabilities</b>	<b>320,940</b>	656,429	<b>320,940</b>	656,429

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 7      Current liabilities (Continued)</b>				
<b>Note 7D: Lease liabilities (Continued)</b>				
The movement of the carrying amounts of the lease liabilities associated with the right of use assets:				
As at 1 January	<b>656,429</b>	1,119,095	<b>656,429</b>	1,119,095
Addition	<b>101,364</b>	77,255	<b>101,364</b>	77,255
Interest	<b>17,261</b>	38,806	<b>17,261</b>	38,806
Payments	<b>(454,114)</b>	(578,727)	<b>(454,114)</b>	(578,727)
As at 31 December 2021	<b>320,940</b>	656,429	<b>320,940</b>	656,429
<b>Note 8      Provisions</b>				
<b>Note 8A: Employee provisions</b>				
<b>Office Holders:</b>				
Annual leave	<b>248,755</b>	202,443	<b>248,755</b>	202,443
Long service leave	<b>273,423</b>	227,459	<b>273,423</b>	227,459
Separations and redundancies	-	-	-	-
Other	-	-	-	-
<b>Subtotal employee provisions - office holders</b>	<b>522,178</b>	429,902	<b>522,178</b>	429,902
<b>Employees other than office holders:</b>				
Annual leave	<b>1,173,363</b>	908,886	<b>1,160,789</b>	908,886
Long service leave	<b>1,831,076</b>	1,609,312	<b>1,827,289</b>	1,609,312
Separations and redundancies	-	-	-	-
Other	-	-	-	-
<b>Subtotal employee provisions - employees other than office holders</b>	<b>3,004,439</b>	2,518,198	<b>2,988,078</b>	2,518,198
<b>Total employee provisions</b>	<b>3,526,617</b>	2,948,100	<b>3,510,256</b>	2,948,100
Current	<b>1,425,905</b>	1,111,329	<b>1,409,544</b>	1,111,329
Non-current	<b>2,100,712</b>	1,836,771	<b>2,100,712</b>	1,836,771
<b>Total employee provisions</b>	<b>3,526,617</b>	2,948,100	<b>3,510,256</b>	2,948,100



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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**Note 9 Non-current liabilities**

**Note 9A: Borrowings**

Bank Mortgage Loan	<b>4,456,654</b>	5,883,549	<b>4,456,654</b>	5,883,549
<b>Total Borrowings</b>	<b>4,456,654</b>	5,883,549	<b>4,456,654</b>	5,883,549

**Note 10 Members' Funds**

**Note 10A: Retained earnings**

Retained earnings at start of year	<b>29,774,738</b>	27,278,711	<b>29,727,940</b>	17,583,801
Profit for the year	<b>3,353,603</b>	2,496,027	<b>3,311,463</b>	12,144,139
<b>Retained earnings at end of year</b>	<b>33,128,341</b>	29,774,738	<b>33,039,403</b>	29,727,940

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	<b>11,758,776</b>	10,527,610	<b>11,720,177</b>	10,475,009
Balance sheet	<b>11,758,776</b>	10,527,610	<b>11,720,177</b>	10,475,009
<b>Difference</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 11 Cash flow (Continued)</b>				
<b>Note 11B: Cash flow reconciliation</b>				
<b>Reconciliation of profit to net cash from operating activities:</b>				
Profit for the year	<b>3,353,603</b>	2,496,027	<b>3,311,463</b>	12,144,139
<b>Adjustments for non-cash items</b>				
Depreciation/amortisation	<b>1,203,462</b>	1,111,537	<b>1,203,462</b>	1,111,537
Loss on sale of fixed assets	<b>14,201</b>	-	<b>14,201</b>	-
<b>Changes in assets/liabilities</b>				
(Increase) Decrease in net receivables	<b>(42,412)</b>	574,074	<b>32,586</b>	511,532
(Increase) in inventories	<b>(79,837)</b>	-	<b>(79,837)</b>	-
(Increase) in prepayments	<b>(764,918)</b>	(21,079)	<b>(764,776)</b>	(21,079)
Increase (Decrease) in supplier payables	<b>(432,854)</b>	28,542	<b>(435,491)</b>	44,885
Increase (Decrease) in other payables	<b>(155,557)</b>	124,464	<b>(155,557)</b>	124,464
Increase in employee provisions	<b>578,517</b>	315,998	<b>562,156</b>	342,547
(Decrease) in tax provisions	<b>(5,868)</b>	(2,221,094)	-	-
<b>Net cash from operating activities</b>	<b>3,668,337</b>	2,408,469	<b>3,668,207</b>	14,258,025

**Note 11C: Cash flow information**

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

**Cash inflows - financing**

<i>TFV Property Pty. Ltd.</i>	-	-	-	1,457,447
<b>Total cash inflows</b>	-	-	-	1,457,447

**Cash inflows - operating**

<i>TFV Property Pty. Ltd. - dividend</i>	-	-	-	9,783,365
<i>AEU Education Services Inc</i>	-	-	<b>54,631</b>	53,979
<b>Total cash inflows</b>	-	-	<b>54,631</b>	9,837,344

**Cash outflows - operating**

<i>AEU Federal Office**</i>	<b>2,777,903</b>	2,629,858	<b>2,777,903</b>	2,629,858
<i>AEU Federal Office – International Trust Fund</i>	<b>191,400</b>	180,400	<b>191,400</b>	180,400
<b>Total cash outflows</b>	<b>2,969,303</b>	2,810,258	<b>2,969,303</b>	2,810,258

\*\* capitation fee, levy and campaign contribution

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**Note 12      Contingent liabilities, assets and commitments**

**Note 12A: Commitments and contingencies**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Operating lease commitments - as lessor</b>				
Future minimum rentals receivable under non-cancellable operating leases as at 31 December 2021 are as follows:				
Within one year	<b>478,759</b>	464,687	<b>478,759</b>	464,687
After one year but not more than five years	<b>2,068,053</b>	2,006,277	<b>2,068,053</b>	2,006,277
After five years	<b>45,158</b>	585,693	<b>45,158</b>	585,693
	<b>2,591,970</b>	3,056,657	<b>2,591,970</b>	3,056,657

**Capital commitments**

At 31 December 2021 the entity has no significant capital commitments.

**Other contingent assets or liabilities**

**Funding of Members legal fees**

As part of its services provided to members the AEU – Victorian Branch funds certain legal cases on behalf of its members. Funding is approved in advance on a case by case basis. As the exact amount of related legal costs are unknown as at the year end, they are expensed when they are actually paid. The total amount of funding approved but not yet paid for as at 31 December 2021 is approximately \$2.153M.

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

**Note 13 Related party disclosures**

**Note 13A: Related party transactions for the reporting period**

**Subsidiaries**

The group's principal subsidiaries at 31 December 2021 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.

<b>Name of entity</b>	<b>Country of incorporation</b>	<b>Principal activities</b>	<b>Group equity holding 2021</b>	<b>Group equity holding 2020</b>
TFV Property Pty Ltd	Australia	Dormant	<b>Deregistered</b>	100%
AEU Education Services Incorporated	Australia	Training	<b>100%</b>	100%

TFV Property Pty Ltd, did not engage in trading activities during the year and was deregistered 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.

**Revenue received:**

AEU Education Services Incorporated – salary reimbursement	-	-	<b>47,866</b>	42,335
TFV Property Pty Ltd - dividend	-	-	-	9,783,365

**Loan to subsidiaries**

Balance at 1 January	-	-	<b>(8,005,868)</b>	(16,370,866)
Shares cancellation	-	-	<b>8,000,000</b>	-
Loan repayments	-	-	-	(1,457,447)
Loan advanced	-	-	<b>5,868</b>	9,822,445
Balance at 31 December	-	-	-	(8,005,868)

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	Consolidated		Parent	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Note 13 Related party disclosures (Continued)</b>				
<b>Note 13B: Key management personnel remuneration for the reporting period</b>				
<b>Short-term employee benefits</b>				
Salary (including annual leave taken)	1,311,091	1,326,690	1,311,091	1,326,690
Annual leave accrued	186,601	145,079	186,601	145,079
Other	124,876	131,934	124,876	131,934
<b>Total short-term employee benefits</b>	<b>1,622,568</b>	<b>1,603,703</b>	<b>1,622,568</b>	<b>1,603,703</b>
<b>Post-employment benefits:</b>				
Superannuation	235,588	232,198	235,588	232,198
<b>Total post-employment benefits</b>	<b>235,588</b>	<b>232,198</b>	<b>235,588</b>	<b>232,198</b>
<b>Other long-term benefits:</b>				
Long-service leave	45,964	46,641	45,964	46,641
<b>Total other long-term benefits</b>	<b>45,964</b>	<b>46,641</b>	<b>45,964</b>	<b>46,641</b>
<b>Termination benefits</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,904,120</b>	<b>1,882,542</b>	<b>1,904,120</b>	<b>1,882,542</b>

**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.

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	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Note 14     Remuneration of auditors</b>				
<b>Value of the services provided</b>				
Current auditor				
Financial statement audit services	<b>19,000</b>	-	<b>19,000</b>	-
Ex-auditor				
Financial statement audit services	<b>3,950</b>	45,720	-	32,910
Overprovision from prior years	<b>(8,000)</b>	-	<b>(8,000)</b>	-
Audit of VEC return	-	250	-	250
Other services	-	12,095	-	8,950
<b>Total remuneration of auditors</b>	<b>14,950</b>	<b>58,065</b>	<b>11,000</b>	<b>42,110</b>

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**Note 15 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 15A: Categories of financial instruments**

	<b>Consolidated</b>		<b>Parent</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b><i>Financial assets</i></b>				
Cash and cash equivalents	<b>11,758,776</b>	10,527,610	<b>11,720,177</b>	10,475,009
Trade and other receivables	<b>1,460,217</b>	1,417,806	<b>1,385,417</b>	1,418,003
<b>Total</b>	<b>13,218,993</b>	11,945,416	<b>13,105,594</b>	11,893,012
Financial assets:				
Investment in subsidiary	-	-	-	8,000,000
<b>Total</b>	-	-	-	8,000,000
<b><i>Carrying amount of financial assets</i></b>	<b>13,218,993</b>	11,945,416	<b>13,105,594</b>	11,893,012
<b><i>Financial liabilities</i></b>				
Trade and other payables	<b>765,579</b>	1,353,992	<b>755,489</b>	1,346,537
Income tax payable	-	5,868	-	-
Borrowings	<b>4,913,660</b>	6,721,318	<b>4,913,660</b>	14,727,186
<b>Total</b>	<b>5,679,239</b>	8,081,178	<b>5,669,149</b>	16,073,723
<b><i>Carrying amount of financial liabilities</i></b>	<b>5,679,239</b>	8,081,178	<b>5,669,149</b>	16,073,723

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**Note 15 Financial instruments (Continued)**

**Note 15B: 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 counter 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 2021 and 31 December 2020 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 15C: 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 2021 - Consolidated**

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	765,579	-	-	-	-	765,579
Borrowings	-	366,599	90,407	-	4,456,654	4,913,660
<b>Total</b>	<b>765,579</b>	<b>366,599</b>	<b>90,407</b>	<b>-</b>	<b>4,456,654</b>	<b>5,679,239</b>

**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
<b>Total</b>	<b>1,359,860</b>	<b>1,933,727</b>	<b>222,702</b>	<b>-</b>	<b>4,564,889</b>	<b>8,081,178</b>



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**Note 15 Financial instruments (Continued)**

**Note 15C: Liquidity risk (Continued)**

**Contractual maturities for financial liabilities 2021 - Parent**

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
	\$	\$	\$	\$	\$	\$
Trade and other payables	755,489	-	-	-	-	755,489
Borrowings	-	366,599	90,407	-	4,456,654	4,913,660
<b>Total</b>	<b>755,489</b>	<b>366,599</b>	<b>90,407</b>	<b>-</b>	<b>4,456,654</b>	<b>5,669,149</b>

**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
<b>Total</b>	<b>1,346,537</b>	<b>9,939,595</b>	<b>222,702</b>	<b>-</b>	<b>4,564,889</b>	<b>16,073,723</b>

**Note 15D: 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 2021**

	Change in risk variable %	Effect on Profit & loss \$	Equity \$
<i>Financial Assets</i>			
Interest rate risk	+2	+235,174	+235,174
Interest rate risk	-2	235,174	235,174
<i>Financial Liabilities</i>			
Interest rate risk	+1	-49,136	-49,136
Interest rate risk	-1	+49,136	+49,136

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**Note 15 Financial instruments (Continued)**

**Note 15D: Market risk (Continued)**

**Sensitivity analysis of the risk that the entity is exposed to for 2020**

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

**Note 15E: Asset pledged/or held as collateral**

**Assets pledged as collateral**

**Financial assets pledged as collateral:**

Freehold Land & Buildings	<b>26,330,287</b>	26,713,115	<b>26,330,287</b>	26,713,115
<b>Total assets pledged as collateral</b>	<b>26,330,287</b>	26,713,115	<b>26,330,287</b>	26,713,115

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.

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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### Note 16 Fair value measurement

#### Note 16A: 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 2021 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 2021 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 2021 \$	Fair value 2021 \$	Carrying amount 2020 \$	Fair value 2020 \$
<b>Consolidated</b>				
<b>Financial Assets</b>				
Cash & cash equivalents	11,758,776	11,758,776	10,527,610	10,527,610
Trade & other receivables	1,460,217	1,460,217	1,417,806	1,417,806
<b>Total</b>	<b>13,218,993</b>	<b>13,218,993</b>	<b>11,945,416</b>	<b>11,945,416</b>
<b>Non-financial Assets</b>				
Land & buildings	26,330,287	26,330,287	26,713,115	26,713,115
Plant & equipment	1,242,651	1,242,651	1,232,051	1,232,051
Other non-current Assets	242,425	242,425	458,347	458,347
<b>Total</b>	<b>27,815,363</b>	<b>27,815,363</b>	<b>28,403,513</b>	<b>28,403,513</b>
<b>Financial Liabilities</b>				
Trade & other payables	765,579	765,579	1,353,992	1,353,992
Tax payable	-	-	5,868	5,868
Lease liabilities	320,940	320,940	656,429	656,429
Bank Mortgage Loan	4,592,720	4,592,720	6,064,889	6,064,889
<b>Total</b>	<b>5,679,239</b>	<b>5,679,239</b>	<b>8,081,178</b>	<b>8,081,178</b>

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**Note 16 Fair value measurement (Continued)**

**Note 16A: 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 2021 \$	Fair value 2021 \$	Carrying amount 2020 \$	Fair value 2020 \$
<b>Parent</b>				
<b>Financial Assets</b>				
Cash & cash equivalents	11,720,177	11,720,177	10,475,009	10,475,009
Trade & other receivables	1,385,417	1,385,417	1,418,003	1,418,003
Other Investments	-	-	8,000,000	8,000,000
<b>Total</b>	<b>13,105,594</b>	<b>13,105,594</b>	<b>19,893,012</b>	<b>19,893,012</b>
<b>Non-financial Assets</b>				
Land & buildings	26,330,287	26,330,287	26,713,115	26,713,115
Plant & equipment	1,242,651	1,242,651	1,232,051	1,232,051
Other non-current assets	242,425	242,425	458,347	458,347
<b>Total</b>	<b>27,815,363</b>	<b>27,815,363</b>	<b>28,403,513</b>	<b>28,403,513</b>
<b>Financial Liabilities</b>				
Trade & other payables	755,489	755,489	1,346,537	1,346,537
Loan from subsidiary	-	-	8,005,868	8,005,868
Lease liabilities	320,940	320,940	656,429	656,429
Bank Mortgage Loan	4,592,720	4,592,720	6,064,889	6,064,889
<b>Total</b>	<b>5,669,149</b>	<b>5,669,149</b>	<b>16,073,723</b>	<b>16,073,723</b>

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**Note 16 Fair value measurement (Continued)**

**Note 16B: 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 2021**

	Level 1 \$	Level 2 \$	Level 3 \$
<b>Assets measured at fair value</b>			
Cash & cash equivalents	11,758,776	-	-
Trade & other receivables	1,460,217	-	-
<b>Total</b>	<b>13,218,993</b>	<b>-</b>	<b>-</b>
<b>Non-financial Assets</b>			
Land & buildings	-	26,330,287	-
Plant & equipment	-	1,242,651	-
Other non-current assets	-	242,425	-
<b>Total</b>	<b>-</b>	<b>27,815,363</b>	<b>-</b>
<b>Liabilities measured at fair value</b>			
Trade & other payables	765,579	-	-
Lease liabilities	320,940	-	-
Bank Mortgage Loan	4,592,720	-	-
<b>Total</b>	<b>5,679,239</b>	<b>-</b>	<b>-</b>

**Fair value hierarchy - Consolidated 31 December 2020**

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

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH  
AND CONTROLLED ENTITIES**

**ABN: 44 673 398 674**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Note 16 Fair value measurement (Continued)**

**Note 16B: Fair value hierarchy (Continued)**

**Fair value hierarchy – Parent 31 December 2021**

**Assets measured at fair value**

	Level 1 \$	Level 2 \$	Level 3 \$
Cash & cash equivalents	11,720,177	-	-
Trade & other receivables	1,385,417	-	-
Other Investments	-	-	-
<b>Total</b>	<b>13,105,594</b>	<b>-</b>	<b>-</b>

**Non-financial assets measured at fair value**

Land & buildings	-	26,330,287	-
Plant & equipment	-	1,242,651	-
Other non-current assets	-	242,425	-
<b>Total</b>	<b>-</b>	<b>27,815,363</b>	<b>-</b>

**Liabilities measured at fair value**

Trade & other payables	755,489	-	-
Lease liabilities	320,940	-	-
Bank Mortgage Loan	4,592,720	-	-
<b>Total</b>	<b>5,669,149</b>	<b>-</b>	<b>-</b>

**Fair value hierarchy – Parent 31 December 2020**

**Assets measured at fair value**

	Level 1 \$	Level 2 \$	Level 3 \$
Cash & cash equivalents	10,475,009	-	-
Trade & other receivables	1,418,003	-	-
Other Investments	-	8,000,000	-
<b>Total</b>	<b>11,893,012</b>	<b>8,000,000</b>	<b>-</b>

**Non-current assets measured at fair value**

Land & buildings	-	26,713,115	-
Plant & equipment	-	1,232,051	-
Other non-current assets	-	458,347	-
<b>Total</b>	<b>-</b>	<b>28,403,513</b>	<b>-</b>

**Liabilities measured at fair value**

Trade & other payables	1,346,537	-	-
Lease liability	656,429	-	-
Borrowing	14,070,757	-	-
<b>Total</b>	<b>16,073,723</b>	<b>-</b>	<b>-</b>

**AUSTRALIAN EDUCATION UNION VICTORIAN BRANCH  
AND CONTROLLED ENTITIES**

**ABN: 44 673 398 674**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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**Note 17      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).



## Eddy Partners Accountants

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Accountants and Auditors  
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### **Independent Auditor's Report to the Committee of Management and Members of the Australian Education Union Victorian Branch General Purpose Financial Report – Year Ended 31<sup>st</sup> December 2021**

#### **Report on the Audit of the Financial Report**

##### **Opinion**

We have audited the accompanying General Purpose Financial Report of the Australian Education Union Victorian Branch ("the Registered Organisation") including its controlled entities, such report comprising of consolidated Statement of Financial Position as at 31<sup>st</sup> December 2021, Statement of Comprehensive Income, Statement of Changes in Equity and Cash Flow Statement for the year then ended together with Notes to the Financial Statements, Committee of Management Statement and subsection 255(2A) report.

In our opinion, the accompanying General Purpose Financial Report presents fairly, in all material respects, the financial position of the Registered Organisation as at 31<sup>st</sup> December 2021 and its financial performance, changes in equity, and cash flows for the year ended on that date in accordance with –

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

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

##### **Basis for Opinion**

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

##### **Partners:**

David J. Eddy CPA  
Stephen J. Eddy CPA  
Suzanne J. Eddy CPA





## **Audit Independence**

We are independent of the Registered Organisation in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* ("the Code") that are relevant to our audit of the financial report in Australia. We have also complied with and fulfilled all applicable independence requirements and other ethical responsibilities in accordance with the Code and the RO Act.

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

The Committee of Management is responsible for the other information. The other information comprises the information included in the annual report of the Registered Organisation for the year ended 31<sup>st</sup> December 2021 and includes the Operating Report. Our opinion on the financial report does not cover the other information and accordingly we do not express any opinion or any form of assurance conclusion thereon.

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

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

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

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

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

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

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of detecting a material misstatement resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations and/or the override of internal controls.

We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal controls of the Registered Organisation.

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

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

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

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

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

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

**Eddy Partners**

**Accountants and Auditors**

Certified Practising Accountants

Level 8, 501 Latrobe Street, Melbourne, Victoria



**Stephen Eedy B.Com CPA**

Registered Company Auditor – No. 165946

Registered Organisations Approved Auditor AA2017/83

Holder of a Current Public Practice Licence - CPA Australia - Membership No. 1408419

**Melbourne 11<sup>th</sup> May 2022**