

Independent Education Union of Australia
ABN: 44 401 438 657

Financial Statements

For the Year Ended 31 December 2019

Independent Education Union of Australia

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Financial Statements for the year ended 31 December 2019

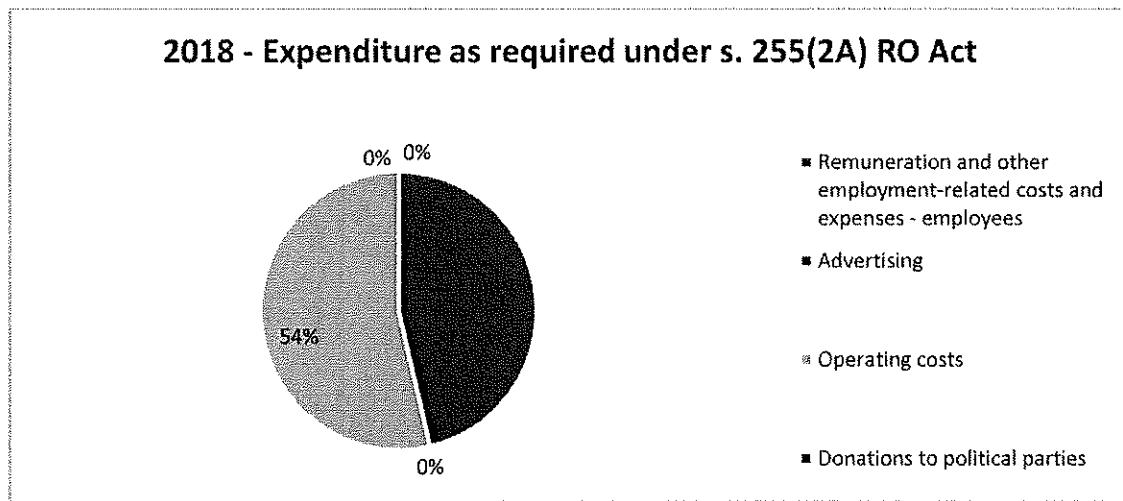
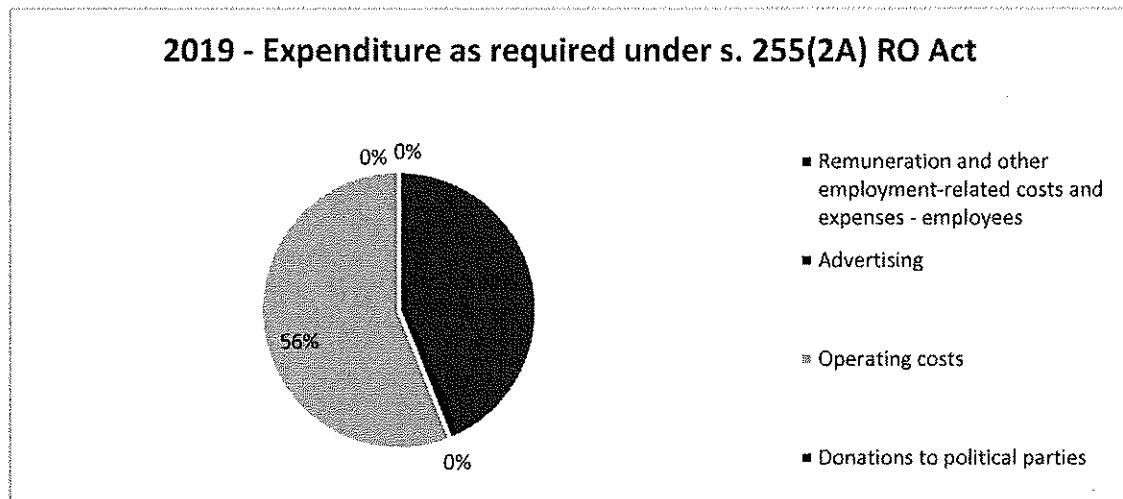
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Report required under subsection 255(2A)

for the year ended 31 December 2019

The committee of management presents the expenditure report as required under subsection 255(2A) on the reporting unit for the year ended 31 December 2019.



Signature of designated officer:

Name and title of designated officer: Chris Watt, Secretary

Dated:

Operating report

for the year ended 31 December 2019

The committee of management presents its operating report on the reporting unit for the year ended *31 December 2019*.

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

Principal Activities

- 1) Support and advice to branches regarding political, industrial, legal and professional agendas. Ensuring ongoing advice to them on the Federal Government's industrial legislation.
- 2) Representation of the industrial and professional interests of the members in a broad range of federal spheres. This includes the ACTU and its committees; participation in forums on educational and professional issues of relevance to IEU members; representation to Government Ministers and Shadow Ministers on government policies relevant to the professional and industrial interests of our members; representation of the Union's interests at the Fair Work Commission in relation to rules matters and the defence of members' industrial rights in industrial disputes.
- 3) Submissions to national inquiries on school funding, educational, industrial and human rights issues relevant to the membership and the broader community. Appearance before such inquiries on behalf of the Union and its membership and participation in the public debate on these matters.
- 4) Research in relevant areas of public policy such as the funding of schooling, industrial, legal and constitutional matters, educational issues, and human rights concerns to inform our own policy development. Oversight of the comparative salaries and conditions of various categories of staff in non-government schools across the jurisdictions. Monitoring of Fair Work decisions and decisions from other jurisdictions.
- 5) Protection and carriage of the Union's Rules.
- 6) Negotiation and prosecution of claims for improved salaries and conditions for workers on Federal Awards through Fair Pay Commission processes.

Results of these activities

- 1) Sustained membership of the Union's Branches
- 2) A proactive membership industrially and professionally
- 3) Continued public profile of the Union on behalf of teachers and support staff in non-government education
- 4) Improvements in the industrial and professional conditions of the membership

Significant changes in the nature of these activities

- 1) There have been no significant changes in the nature of these activities over the past year.

Significant changes in Financial affairs

- 1) There have been no significant changes in the financial activities over the past year.

Right of members to resign

A member may resign from the Union in accord with Rule 21.

RULE 21 - RESIGNATION FROM MEMBERSHIP

- (A) A member of the Union may resign from membership by written notice addressed and delivered to the relevant Branch Secretary.
- (B) A notice of resignation from membership takes effect:
 - a) where the member cease to be eligible to become a member of the Union:
 - (i) on the day on which the notice is received by the Union; 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 two weeks after the notice is received by the organisation; or
 - (ii) on the day specified in the notice;
- whichever is the later.

- (C) Any dues payable and not paid by a former member in relation to a period before the member's resignation from the organisation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (D) A notice delivered to the person mentioned in subclause (a) shall be taken to have been received by the Union when it was delivered.
- (E) A notice of resignation that has been received by the Union is not invalid because it was not addressed and delivered in accordance with Subclause (a).
- (F) A resignation from membership of the Union is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.

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

Debra James	Federal Council member, Federal Vice President, Secretary IEUA VIC/TAS Branch Director of Catholic Superannuation Fund Director of Togethr Trustees
Cathy Hickey	Federal Council member, Director NGS Super Fund
Terry Burke	Federal Council member, Federal Deputy President, Secretary IEUA QNT Branch
Glen Seidel	Federal Council member, Federal Executive member, Secretary IEU(SA) Branch Director NGS Super Fund
Gloria Taylor	Federal Council member, Federal Executive member, Deputy Secretary IEU NSW/ACT Branch Director NGS Super Fund
John Quessy	Federal Council member, Federal President, Secretary IEUA NSW/ACT Branch Alternate Director NGS Super Fund
Christine Wilkinson	Federal Council member, President IEUA NSW/ACT Branch Director NGS Super Fund
Angela Briant	Federal Council member, Federal Executive member, Secretary IEU WA Branch Director WA Super

Number of members

There were 74,651 members on the register of members on 31st December 2019.

Number of employees

As at 31 December 2019, the number of employees employed on a full-time equivalent basis was 4.4 FTE.

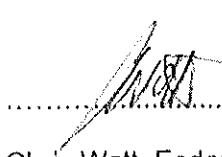
Names of Committee of Management members and period positions held during the financial year

The following persons are on the Federal Executive of the Union. The period of time during the reporting period for which they have held their position is indicated:

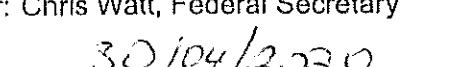
Chris Watt	Federal Secretary	12 months
Christine Cooper	Assistant Federal Secretary	12 months
Anthony Odgers	Assistant Federal Secretary	12 months
John Quessy	President	12 months
Deb James	Deputy President	12 months
Terry Burke	Vice President	12 months
Glen Seldel	Vice President	12 months
Angela Briant	Delegate	12 months
Gloria Taylor	Delegate	10 months
Mark Northam	Delegate	2 months

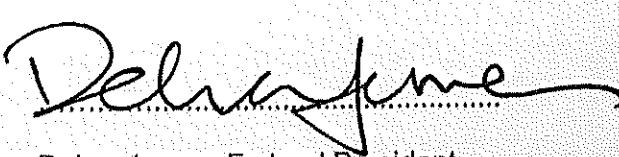
The Operating report for the period ended 31st December 2019 was prepared by Chris Watt, Federal Secretary.

Signature:

Signature of designated officer: 

Name and title of designated officer: Chris Watt, Federal Secretary

Dated: 

Signature of designated officer: 

Name and title of designated officer: Debra James, Federal President

Dated: 

Independent Education Union of Australia

Statement of comprehensive income

for the year ended 31 December 2019

	Notes	2019	2018
		\$	\$
Revenue			
Membership subscription*		-	-
Capitation fees and other revenue from another reporting unit*	3A	1,488,880	1,380,234
Levies	3B	-	-
Investment income	3C	8,755	2,974
Other revenue	3D	496,293	440,641
Total revenue		1,993,928	1,823,849
Other Income			
Grants and/or donations*	3E	-	-
Revenue from recovery of wages activity*	3F	-	-
Total other income		-	-
Total income		1,993,928	1,823,849
Expenses			
Employee expenses	4A	(884,230)	(817,391)
Capitation fees and other expense to another reporting unit*	4B	-	-
Affiliation fees	4C	(646,262)	(636,766)
Administration expenses	4D	(325,262)	(280,970)
Grants or donations	4E	(100,000)	(17,500)
Depreciation and amortisation	4F	(1,105)	(882)
Legal costs	4G	(46,811)	-
Audit fees	13	(8,100)	(8,000)
Other expenses	4H	(3,000)	(1,425)
Total expenses		(2,014,770)	(1,762,934)
Surplus (deficit) for the year		(20,842)	60,915
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Gain/(loss) on available for sale investments		-	-
Gain/(loss) on debt instruments at fair value through other comprehensive income(FVTOCI)		-	-
Items that will not be subsequently reclassified to profit or loss			
Gain/(loss) on revaluation of land & buildings		-	-
Gain/(loss) on equity instruments designated at FVTOCI		-	-
Total comprehensive income for the year		(20,842)	60,915

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

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations. The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

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

Statement of financial position

as at 31 December 2019

	Notes	2019	2018
		\$	\$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	480,140	417,140
Trade and other receivables*	5B	9,269	2,416
Other current assets	5C	4,405	21,344
Total current assets		493,814	440,900
Non-current Assets			
Plant and equipment	6A	7,143	3,533
Total non-current assets		7,143	3,533
Total assets		500,957	444,433
LIABILITIES			
Current Liabilities			
Trade payables*	7A	39,547	37,311
Other payables*	7B	29,100	35,284
Employee provisions	8A	392,583	325,591
Total current liabilities		461,230	398,186
Non-current Liabilities			
Employee provisions	8A	25,761	11,439
Total non-current liabilities		25,761	11,439
Total liabilities		286,991	409,625
Net assets		13,966	34,808
EQUITY			
Retained earnings	9	13,966	34,808
Total equity		13,966	34,808

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

The Association has initially applied AASB 15 and AASB 1058 using the cumulative effect method and not restated comparatives. The comparatives have been prepared using AASB 111, AASB 118, AASB 1004 and related interpretations. The Association has initially applied AASB 16 using the cumulative effect method and has not restated comparatives. The comparatives have been prepared using AASB 117 and related interpretations.

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

Statement of changes in equity

for the year ended 31 December 2019

	Notes	Retained earnings	Total equity
		\$	\$
Balance as at 1 January 2018		(26,107)	(26,107)
Surplus / (deficit)		60,915	60,915
Closing balance as at 31 December 2018		34,808	34,808
 Balance as at 1 January 2019		 34,808	 34,808
Surplus / (deficit)		(20,842)	(20,842)
Closing balance as at 31 December 2019		13,965	13,965

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

Statement of cash flows

for the year ended 31 December 2019

	2019	2018
	\$	\$
Notes		
OPERATING ACTIVITIES		
Cash received		
Receipts from customers	2,193,775	2,002,959
Proceeds from interest received classified as operating	8,755	2,974
Cash used		
Payments to suppliers	(1,174,882)	(983,690)
Payments to employees	(798,638)	(766,540)
Payments to ATO	(124,515)	(111,737)
Lease payments from short-term leases	(35,100)	(35,100)
Lease payments for leases of low-value assets	(1,680)	(1,680)
Net cash from (used by) operating activities	10B	67,715
	107,186	
INVESTING ACTIVITIES		
Cash received		
Proceeds from sale of plant and equipment	-	-
Proceeds from sale of land and buildings	-	-
Cash used		
Purchase of plant and equipment	(4,715)	-
Purchase of land and buildings	-	-
Net cash from (used by) investing activities	(4,715)	-
FINANCING ACTIVITIES		
Cash received		
Contributed equity	-	-
Other	-	-
Cash used		
Repayment of borrowings	-	-
Other	-	-
Net cash from (used by) financing activities	-	-
Net increase (decrease) in cash held	63,000	107,186
Cash & cash equivalents at the beginning of the reporting period	417,140	309,954
Cash & cash equivalents at the end of the reporting period	5A	480,140
	417,140	

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

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- Note 14 Financial instruments
- Note 15 Fair value measurements
- Note 16 Section 272 *Fair Work (Registered Organisations) Act 2009*

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 Independent Education Union of Australia 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 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There are no significant accounting judgements and estimates relevant to the Registered Organisation for the year ended 31 December 2019.

1.4 Adoption of new and revised 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 Registered Organisation has adopted AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities for the first time in the current year with a date of initial application of 1 January 2019.

The Registered Organisation has applied AASB 15 and AASB 1058 using the cumulative effect method which means the comparative information has not been restated and continues to be reported under AASB 111, AASB 118, AASB 1004 and related interpretations. All adjustments on adoption of AASB 15 and AASB 1058 have been taken to retained earnings at 1 January 2019.

No changes to the Registered Organisation's accounting policies and no impact on these financial statements from applying AASB 15 and AASB 1058.

The Registered Organisation has adopted AASB 16 Leases using the modified retrospective (cumulative catch-up) method from 1 January 2019 and therefore the comparative information for the year ended 31 December 2018 has not been restated and has been prepared in accordance with AASB 117 Leases and associated Accounting Interpretations.

The impact of adopting AASB 16 is described below:

Registered Organisation as a lessee

Under AASB 117, the Registered Organisation assessed whether leases were operating or finance leases based on its assessment of whether the significant risks and rewards of ownership had been transferred to the Registered Organisation or remained with the lessor. Under AASB 16, there is no differentiation between finance and operating leases for the lessee and therefore all leases which meet the definition of a lease are recognised on the statement of financial position (except for short-term leases and leases of low value assets).

The Registered Organisation has elected to use the exception to lease accounting for short-term leases and leases of low value assets, and the lease expense relating to these leases are recognised in the statement of profit or loss on a straight line basis.

AASB 16 includes a number of practical expedients which can be used on transition, the Registered Organisation has used the following expedients:

- contracts which had previously been assessed as not containing leases under AASB 117 were not re-assessed on transition to AASB 16;
- lease liabilities have been discounted using the Registered Organisation's incremental borrowing rate at 1 January 2019;
- right-of-use assets at 1 January 2019 have been measured at an amount equal to the lease liability adjusted by the amount of any prepaid or accrued lease payments;
- a single discount rate was applied to all leases with similar characteristics;
- the right-of-use asset was adjusted by the existing onerous lease provision (where relevant) at 31 December 2019 rather than perform impairment testing of the right-of-use asset;
- excluded leases with an expiry date prior to 31 December 2020 from the statement of financial position and lease expenses for these leases have been recorded on a straight-line basis over the remaining term;
- used hindsight when determining the lease term if the contract contains options to extend or terminate the lease;
- for leases which were classified as finance leases under AASB 117, the carrying amount of the right-of-use asset and the lease liability at 1 January 2019 are the same value as the leased asset and liability on 31 December 2019 2019.

Financial report impact of adoption of AASB 16

The company has not recognised any right of use assets and lease liabilities as at 1 January 2019 for leases previously classified as operating leases.

AASB 2019-4 Amendments to Australian Accounting Standards – Disclosure in Special Purpose Financial Statements of Not-for-Profit Private Sector Entities on Compliance with Recognition and Measurement Requirements

This Standard amends AASB 1054 to require not-for-profit private sector entities that are mandated to apply AASB 1054 (including those required by legislation to do so) and are preparing special purpose financial statements to disclose information that enables users to understand whether the material accounting policies applied in the financial statements comply with all the recognition and measurement requirements in Australian Accounting Standards

The amendments apply retrospectively and are effective from 1 January 2020, with earlier application permitted.

These amendments have no impact on the financial statements of the Independent Education Union of Australia

AASB 1059 Service Concession Arrangements: Grantors

This Standard addresses the accounting for a service concession arrangement by a grantor that is a public sector entity. The Standard is based on the International Public Sector Accounting Standard IPSAS 32 Service Concession Arrangements: Grantor and is broadly consistent with AASB Interpretation 12 Service Concession Arrangements, which sets out the accounting for the operator of such arrangements, in relation to its principles for recognising service concession assets.

The amendments apply retrospectively and are effective from 1 January 2020, with earlier application permitted.

These amendments have no impact on the financial statements of the Independent Education Union of Australia

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

The revised Conceptual Framework includes some new concepts, provides updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

The amendments apply retrospectively and are effective from 1 January 2020, with earlier application permitted.

These amendments have no impact on the financial statements of the Independent Education Union of Australia

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

The Standard amends the definition of a business in AASB 3 Business Combinations. The amendments clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

The amendments apply retrospectively and are effective from 1 January 2020, with earlier application permitted.

These amendments have no impact on the financial statements of the Independent Education Union of Australia

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

This Standard amends AASB 101 Presentation of Financial Statements and AASB 108 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The amendments clarify that materiality will depend on the nature or magnitude of information. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

The amendments apply retrospectively and are effective from 1 January 2020, with earlier application permitted.

These amendments have no impact on the financial statements of the Independent Education Union of Australia

AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059

This Standard amends AASB 16 and AASB 1059 mainly to provide practical expedient to grantors of service concession arrangements so that AASB 16 need not be applied to assets that would be recognised as service concession assets under AASB 1059 and to clarify measurement requirements of the liability of grantors that use the modified retrospective approach upon initial adoption of AASB 1059.

The amendments apply retrospectively and are effective from 1 January 2020, with earlier application permitted.

These amendments have no impact on the financial statements of the Independent Education Union of Australia

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

These amendments were issued in response to the effects of Interbank Offered Rates reform on financial reporting and provide mandatory temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative nearly risk free interest rate.

The amendments apply retrospectively and are effective from 1 January 2020, with earlier application permitted.

These amendments have no impact on the financial statements of the Independent Education Union of Australia

AASB 2019-5 Amendments to Australian Accounting Standards – Disclosure of the Effect of New IFRS Standards Not Yet Issued in Australia

This Standard amends AASB 1054 by adding a disclosure requirement for an entity intending to comply with IFRS Standards to disclose the information specified in paragraphs 30 and 31 of AASB 108 on the potential effect of an IFRS Standard that has not yet been issued by the AASB so that such entity complying with Australian Accounting Standards can assert compliance with IFRS Standards.

The amendments apply retrospectively and are effective from 1 January 2020, with earlier application permitted.

These amendments have no impact on the financial statements of the Independent Education Union of Australia

1.5 Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any loss allowance due to expected credit losses at each reporting date. A provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment has been established.

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

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

The core principle of AASB 15 is that revenue is recognised on a basis that reflects the transfer of promised goods or services to customers at an amount that reflects the consideration the Registered Organisation expects to receive in exchange for those goods or services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the customer
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

Generally the timing of the payment for sale of goods and rendering of services corresponds closely to the timing of satisfaction of the performance obligations, however where there is a difference, it will result in the recognition of a receivable, contract asset or contract liability.

None of the revenue streams of the Registered Organisation have any significant financing terms as there is less than 12 months between receipt of funds and satisfaction of performance obligations.

Other income is recognised on an accruals basis when the Registered Organisation is entitled to it.

1.6 Gains

Sale of assets

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

1.7 Capitation fees and levies

Capitation fees and levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which it relates.

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits 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 reporting unit 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 Independent Education Union of Australia recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

For current year

At inception of a contract, the Registered Organisation assesses whether a lease exists - i.e. does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

The contract involves the use of an identified asset - this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right then there is no identified asset.

The Registered Organisation has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use.

The Registered Organisation has the right to direct the use of the asset i.e. decision making rights in relation to changing how and for what purpose the asset is used.

The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the Registered Organisation's incremental borrowing rate is used.

Subsequent to initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g. CPI) or a change in the Registered Organisation's assessment of lease term.

Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Exceptions to lease accounting

The Registered Organisation has elected to apply the exceptions to lease accounting for both short-term leases (i.e. leases with a term of less than or equal to 12 months) and leases of low-value assets which is not more than AUD\$10,000 per asset.

The Registered Organisation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

For comparative year

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where an asset is acquired by means of a finance lease, the asset is capitalised at either the fair value of the lease property or, if lower, the present value of minimum lease payments at the inception of the contract and a liability is recognised at the same time and for the same amount.

The discount rate used is the interest rate implicit in the lease. Leased assets are amortised over the period of the lease. Lease payments are allocated between the principal component and the interest expense.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.10 Borrowing costs

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

1.11 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 statement of financial position.

1.12 Financial instruments

Financial assets and financial liabilities are recognised when a Independent Education Union of Australia entity becomes a party to the contractual provisions of the instrument.

1.13 Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost 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 Registered Organisation's business model for managing them. With the exception of trade receivables that do not contain a significant financing component, the Independent Education Union of Australia 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, 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 Registered Organisation'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 Independent Education Union of Australia commits to purchase or sell the asset.

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 profit or loss

Financial assets at amortised cost

The Independent Education Union of Australia 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 rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Registered Organisation's financial assets at amortised cost includes trade receivables.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at fair value through OCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in profit or loss.

Derecognition

A financial asset is derecognised when:

- The rights to receive cash flows from the asset have expired or
- The Independent Education Union of Australia 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 Independent Education Union of Australia has transferred substantially all the risks and rewards of the asset, or
 - b) the Independent Education Union of Australia has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Independent Education Union of Australia 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 Independent Education Union of Australia 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 Independent Education Union of Australia 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 Independent Education Union of Australia does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Independent Education Union of Australia 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.

(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 Independent Education Union of Australia 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 Independent Education Union of Australia 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 Independent Education Union of Australia considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Independent Education Union of Australia may also consider a financial asset to be in default when internal or external information indicates that the Independent Education Union of Australia 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.

1.14 Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, at amortised cost.

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 Independent Education Union of Australia'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.

1.15 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.

1.16 Plant and equipment

Asset Recognition Threshold

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

Depreciation

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

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

	2019	2018
Office Equipment	20 - 30%	20 - 30%

Derecognition

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

1.17 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than 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 Independent Education Union of Australia were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

1.18 Taxation

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

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; 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 statement of cash flows 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.

1.19 Fair value measurement

The Independent Education Union of Australia measures financial instruments, such as, financial assets as at fair value through the profit and loss, financial assets at fair value through OCI, 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 15A.

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

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

The principal or the most advantageous market must be accessible by the Independent Education Union of Australia. 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 Independent Education Union of Australia 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 Independent Education Union of Australia 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 Independent Education Union of Australia has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2019, prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of Independent Education Union of Australia.

Note 3 Income**Note 3A: Capitation fees and other revenue from another reporting unit*****Capitation fees:**

	2019	2018
	\$	\$
Capitation fees	1,488,880	1,380,234
Subtotal capitation fees	1,488,880	1,380,234
Other revenue from another reporting unit:		
Subtotal other revenue from another reporting unit	-	-
Total capitation fees and another revenue from other reporting unit	1,488,880	1,380,234

Note 3B: Levies*

Levies	-	-
Total levies	-	-

Note 3C: Investment income

Interest income	8,755	2,974
Total investment income	8,755	2,974

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

	2019	2018
	\$	\$

Note 3D: Other revenue

Revenue from other operating activities	496,293	440,641
Total rental revenue	496,293	440,641

Note 3E: Grants or donations*

Grants	-	-
Donations	30,000	-
Total grants or donations	30,000	-

Note 3F: Revenue from recovery of wages activity

Amounts recovered from employers in respect of wages	-	-
Interest received on recovered money	-	-
Total revenue from recovery of wages activity	-	-

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:

Wages and salaries	558,636	538,416
Superannuation	83,428	79,349
Leave and other entitlements	61,155	13,862
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses holders of office	703,219	631,627

Employees other than office holders:

Wages and salaries	139,552	135,185
Superannuation	21,300	20,316
Leave and other entitlements	20,159	30,263
Separation and redundancies	-	-
Other employee expenses	-	-
Subtotal employee expenses employees other than office holders	181,011	185,764
Total employee expenses	884,230	817,391

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

	2019	2018
	\$	\$

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

Capitation fees	-	-
Total capitation fees and other expense to another reporting unit	-	-

Note 4C: Affiliation fees*

Australian Council of Trade Unions	514,388	435,176
International – Education International	183,646	183,407
The Council of Pacific Education	15,000	15,000
Australian People For Health Education & Development Abroad	3,278	3,183
Total affiliation fees/subscriptions	716,262	636,766

Note 4D: Administration expenses

Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	213,334	154,797
Contractors/consultants	-	-
Communication and website expenses	14,047	10,057
Office expenses	59,981	78,440
Information communications technology	-	-
Other	-	-
Subtotal administration expense	287,362	243,294
Operating lease rentals:		
Minimum lease payments	37,900	37,676
Total administration expenses	325,262	280,970

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

	2019	2018
	\$	\$
Note 4E: Grants or donations*		
Grants:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	-	-
Donations:		
Total expensed that were \$1,000 or less	-	-
Total expensed that exceeded \$1,000	30,000	17,500
Total grants or donations	100,000	17,500

Note 4F: Depreciation and amortisation

Depreciation		
Land & buildings	-	-
Property, plant and equipment	1,105	882
Total depreciation	1,105	882
Amortisation		
Intangibles	-	-
Total amortisation	-	-
Total depreciation and amortisation	1,105	882

Note 4G: Legal costs*

Litigation	-	-
Other legal costs	46,811	-
Total legal costs	46,811	-

Note 4H: Other expenses

Other expenses*	3,000	1,425
Total other expenses	3,000	1,425

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

	2019	2018
	\$	\$

Note 5 Current Assets

Note 5A: Cash and cash equivalents

Cash at bank and in hand	307,706	247,155
Business investment account	172,434	169,985
Total cash and cash equivalents	480,140	417,140

Note 5B: Trade and other receivables

Receivables from other reporting unit*	-	-
Total receivables from other reporting unit[s]	-	-

Other receivables:

Other trade receivables	9,269	2,416
Total other receivables	9,269	2,416
Total trade and other receivables (net)	9,269	2,416

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

At 1 Jan	-	-
Provision for expected credit losses	-	-
Write-off	-	-
At 31 December	-	-

Note 5C: Other current assets

Prepayments	4,405	21,344
Total other current assets	4,405	21,344

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

	2019	2018
	\$	\$

Note 6 Non-current Assets

Note 6A: Plant and equipment

Plant and equipment:

at cost	29,921	25,206
accumulated depreciation	22,778	(21,673)
Total plant and equipment	7,143	3,533

Reconciliation of opening and closing balances of plant and equipment

As at 1 Jan

Gross book value	25,206	25,206
Accumulated depreciation and impairment	(21,673)	(20,791)
Net book value 1 Jan	3,533	4,415

Additions:

By purchase	4,715	-
Depreciation expense	(1,105)	(882)
Net book value 31 December	3,610	3,533

Net book value as of 31 December represented by:

Gross book value	29,921	25,206
Accumulated depreciation and impairment	(22,778)	(21,673)
Net book value 31 December	7,143	3,533

	2019	2018
	\$	\$

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	39,547	37,311
Subtotal trade creditors	39,547	37,311
Payables to other reporting unit[s]*:		
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	39,547	37,311

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	7,635	5,890
GST payable	21,465	29,394
Total other payables	29,100	35,284
Total other payables are expected to be settled in:		
No more than 12 months	29,100	35,284
More than 12 months	-	-
Total other payables	29,100	35,284

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

	2019	2018
	\$	\$

Note 8 Provisions

Note 8A: Employee provisions*

Office holders:		
Annual leave	139,011	108,068
Long service leave	228,911	198,699
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	367,922	306,767
Employees other than office holders:		
Annual leave	24,661	18,824
Long service leave	25,761	11,439
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	50,422	30,263
Total employee provisions	418,344	337,030
 Current	 392,583	 325,591
Non-current	25,761	11,439
Total employee provisions	418,344	337,030

Note 9 Equity

Note 9A: General funds

Retained earnings		
Balance as at start of year	34,808	(26,107)
Current year earnings	(20,842)	60,915
Balance as at end of year	13,966	34,808

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

	2019	2018
	\$	\$

Note 10 Cash Flow

Note 10A: 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	480,140	417,140
Balance sheet	480,140	(417,140)
Difference	-	-

Note 10B: Reconciliation of profit/(deficit) to net cash from operating activities:*

Profit/(deficit) for the year	(20,842)	60,915
Adjustments for non-cash items		
Depreciation/amortisation	1,105	882
Changes in assets/liabilities		
(Increase)/decrease in net receivables	(6,853)	-
(Increase)/decrease in prepayments	16,939	(19,408)
Increase/(decrease) in trade payables	(1,385)	612
Increase/(decrease) in other payables	(2,563)	20,060
Increase/(decrease) in other provisions	81,314	44,125
Net cash from (used by) operating activities	67,715	107,186

Note 10C: Cash flow information*

Cash inflows		
Receipts from customers	2,193,775	2,002,959
Interest income	8,755	2,974
Total cash inflows	2,202,530	2,005,933

Cash outflows		
Payments to suppliers	(1,211,662)	(1,020,470)
Payments to employees	(798,638)	(766,540)
Payments to the ATO	(124,515)	(111,737)
Total cash outflows	(2,134,815)	(1,898,747)

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

	2019	2018
	\$	\$

Note 11 Contingent Liabilities, Assets and Commitments

In the opinion of the Directors, the Registered Organisation did not have any contingencies at 31 December 2019 (31 December 2018: None).

Note 11A: Commitments and contingencies

Lease commitments—as lessee

Future minimum rentals payable under non-cancellable operating leases as at 31 December are:

Within one year	3,745	1,680
After one year but not more than five years	-	820
More than five years	-	-
	3,745	2,500

Periodic lease on monthly basis is in place for the office premises and a rental for photocopy machine.

Note 11B: Lease impact in the statement of profit and loss and other comprehensive income

Variable lease payments not included in the measurement of lease liabilities	35,100	35,100
Expenses relating to leases of low-value assets	1,680	1,680
Total cash outflow for leases	35,580	35,580

2019	2018
\$	\$

Note 12 Related Party Disclosures

Note 12A: Related party transactions for the reporting period

Transactions with related parties include capitation fees charged to State Branches of the Independent Education Union (Accrual basis). Some State Branches of the Independent Education Union have reporting periods that differ from that of the Registered Organisation, therefore, related party transaction balances may vary from those of the related State Branches.

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

Revenue received from IEUA - ACT/NSW Branch includes the following:

Capitation Fees	600,323	555,441
ACTU Levy	200,108	177,325
Payroll Tax	41,755	42,648
Postage and Courier	639	728
Expenses Reimbursement	-	4,313

Revenue received from IEUA - VIC/TAS Branch includes the following:

Capitation Fees	395,251	361,041
ACTU Levy	131,750	115,263

Revenue received from IEUA - SA Branch includes the following:

Capitation Fees	70,041	65,463
ACTU Levy	22,347	20,899

Revenue received from IEUA – QNT Branch includes the following:

Capitation Fees	330,038	310,556
ACTU Levy	110,013	99,145

Revenue received from IEUA - WA Branch includes the following:

Capitation Fees	93,226	87,732
ACTU Levy	31,075	28,009

Expenses paid to IEUA - ACT/NSW Branch includes the following:

Reimbursements	(1,336)	(282)
Rental	(35,102)	(35,102)

Note 12A: Related party transactions for the reporting period (Cont'd)

	2019	2018
	\$	\$
Expenses paid to IEUA - QNT Branch includes the following:		
Payroll Tax	(9,904)	(9,303)
Payroll Tax	-	6,283
Expenses paid to IEUA – WA Branch includes the following:		
Reimbursements	(2,000)	-
Expenses paid to IEUA – VIC/TAS Branch includes the following:		
Payroll Tax	(7,340)	-
Amount owed to IEUA - QNT Branch includes the following:		
Payroll Tax	-	(833)

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

Short-term employee benefits

Salary (including annual leave taken)	558,636	539,600
Annual leave accrued	30,943	(636)
	589,579	538,964

Post-employment benefits:

Superannuation	83,428	79,349
Total post-employment benefits	83,428	79,349

Other long-term benefits:

Long-service leave	30,213	81,871
Total other long-term benefits	30,213	81,871

Total

703,220

700,184

Note 13 Remuneration of Auditors

Value of the services provided

Financial statement audit services	8,100	8,000
Total remuneration of auditors	8,100	8,000

Note 14 Financial Instruments

The Registered Organisation is exposed to a variety of financial risks through its use of financial instruments.

The Registered Organisation's overall risk management plan seeks to minimise potential adverse effects due to the unpredictability of financial markets.

The most significant financial risks to which the Registered Organisation is exposed to are described below:

Specific risks

- Liquidity risk
- Credit risk
- Market risk – interest rate risk

Financial instruments used

The principal categories of financial instrument used by the Registered Organisation are:

- Trade receivables
- Cash and cash equivalents
- Trade and other payables

Note 14A: Categories of Financial Instruments

Financial assets

	2019	2018
	\$	\$
Cash and cash equivalents	480,140	417,140
Trade and other receivables	9,269	2,416
Carrying amount of financial assets	489,409	419,556

Financial liabilities

Financial liabilities at fair value	-	-
Trade payables	-	1,749
Other payables	3,239	1,558
Carrying amount of financial liabilities	3,239	3,307

2019	2018
\$	\$

Note 14B: Net income and expense from financial assets

Loans and receivables/amortised cost		
Interest revenue	8,755	2,974
Sub-total net income/(expense) from financial assets	8,755	2,974

Note 14C: Net income and expense from financial liabilities

The net income/expense from financial liabilities not at fair value from profit and loss is nil(2018: nil).

Note 14D: Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Registered Organisation.

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to members, including outstanding receivable and committed transactions.

The credit risk for liquid funds and other short-term financial assets is considered negligible, since the counterparties are reputable banks with high quality external credit ratings.

Trade receivables

Trade receivables consist of a large number of customers. Ongoing credit evaluation is performed on the financial condition of accounts receivable.

On a geographical basis, the Registered Organisation has significant credit risk exposures in Australia only.

	2019	2018
	\$	\$

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

Financial assets		
Cash at bank	480,140	417,140
Other receivables	9,269	2,416
Total	489,409	419,556
Financial liabilities		
Trade payables	3,239	4,624
Total	3,239	4,624

Set out below is the information about the credit risk exposure on financial assets using a provision matrix:

	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	-
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

	Trade and other receivables					
	Days past due					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	\$
Estimate total gross carrying amount at default	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

The Registered Organisation's maximum exposure to credit risk for the components of the statement of financial position at 31 December 2019 and 2018 is the carrying amounts as illustrated in Note 14D.

Note 14E: Liquidity risk

Liquidity risk is the risk that the Registered Organisation will encounter difficulty in meeting its financial obligations as they fall due.

The Registered Organisation's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities as and when they fall due. The Registered Organisation maintains cash and marketable securities to meet its liquidity requirements for up to 30-day periods. Funding for long-term liquidity needs is additionally secured by ability to sell long-term financial assets.

Liquidity needs are monitored in various time bands, on a day-to-day and week-to-week basis, as well as on the basis of a rolling 30-day projection. Long-term liquidity needs for a 180-day and a 360-day period is identified monthly.

At the reporting date, these reports indicate that the Registered Organisation expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances and will not need to draw down any of the financing facilities.

The Registered Organisation does not have any contractual liability such as bank loans, finance lease etc.

Contractual maturities for financial liabilities 2019

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
Office Equipment	-	1,680	421	-	-	2,101
Office Space	-	2,925	-	-	-	2,925
Total	-	4,605	421	-	-	5,026

Contractual maturities for financial liabilities 2018

	On Demand	< 1 year	1– 2 years	2– 5 years	>5 years	Total
Office Equipment	-	1,680	1,680	421	-	3,781
Office Space	-	2,925	-	-	-	2,925
Total	-	4,605	1,680	421	-	6,706

Note 14F: Market risk

Market risks is the risk that the fair value for future cash flows of a financial instrument will fluctuate because of changes in market prices.

Interest rate risk

The Registered Organisation is exposed to market risk through its use of financial instruments and specifically to interest rate risk, which results from its operations.

The following table illustrates the sensitivity of the net result for the year and equity to a reasonably possible change in interest rates of +1.00% and -1.00% (2018: +1.00%/-1.00%), with effect from the beginning of the year. These changes are considered to be reasonably possible based on observation of current market conditions and economist reports.

The calculations are based on the cash & cash equivalents held at each reporting date. All other variables are held constant.

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

Risk variable	Change in risk variable %	Effect on	
		Profit and loss	Equity
		\$	\$
Interest rate risk	4,801 +1.00%	4,801	(4,801)
Interest rate risk	4,801 -1.00%	(4,801)	4,801

Sensitivity analysis of the risk that the entity is exposed to for 2018

Risk variable	Change in risk variable %	Effect on	
		Profit and loss	Equity
		\$	\$
Interest rate risk	4,171 +1.00%	4,171	(4,171)
Interest rate risk	4,171 -1.00%	(4,171)	4,171

Note 15 Fair Value Measurement

Note 15A: Financial assets and liabilities

Management of the reporting unit assessed that cash, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair value 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 2019 was assessed to be insignificant.
- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.
- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Independent Education Union of Australia 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 2019 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 Registered Organisation's financial assets and liabilities:

	Carrying amount 2019 \$	Fair value 2019 \$	Carrying amount 2018 \$	Fair value 2018 \$
Financial assets				
Cash and cash equivalent	480,140	480,140	417,140	417,140
Other trade receivables	9,269	9,269	2,416	2,416
Total	489,409	489,409	419,556	419,556
Financial liabilities				
Trade creditor	3,239	3,239	4,624	4,624
Total	3,239	3,239	4,624	4,624

Note 15B: Financial and non-financial assets and liabilities fair value hierarchy

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

Fair value hierarchy – 31 December 2019

	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Cash and cash equivalent	480,140	-	-
Other trade receivables	-	9,269	-
Total	480,140	9,269	-

Liabilities measured at fair value

Trade creditor	-	3,239	-
Total	-	3,239	-

Fair value hierarchy – 31 December 2018

	Level 1	Level 2	Level 3
Assets measured at fair value	\$	\$	\$
Cash and cash equivalent	417,140	-	-
Other trade receivables	-	2,416	-
Total	417,140	2,416	-

Liabilities measured at fair value

Trade creditor	-	4,624	-
Total	-	4,624	-

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

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

Information to be provided to members or 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).

Officer declaration statement

I, Chris Watt, being the Federal Secretary of the Independent Education Union of Australia, declare that the following activities did not occur during the reporting period ending 31 December 2019

The reporting unit did not:

- agree to receive financial support from another reporting unit to continue as a going concern (refers to agreement regarding financial support not dollar amount)
- agree to provide financial support to another reporting unit to ensure they continue as a going concern (refers to agreement regarding financial support not dollar amount)
- acquire an asset or liability due to an amalgamation under Part 2 of Chapter 3 of the RO Act, a restructure of the branches of an organisation, a determination or revocation by the General Manager, Fair Work Commission
- receive periodic or membership subscriptions
- receive revenue via compulsory levies
- receive donations or grants
- receive revenue from undertaking recovery of wages activity
- incur fees as consideration for employers making payroll deductions of membership subscriptions
- pay capitation fees or any other expense to another reporting unit
- pay affiliation fees to other entity
- pay compulsory levies
- pay a grant that was \$1,000 or less
- pay a grant that exceeded \$1,000
- pay a donation that was \$1,000 or less
- pay separation and redundancy to holders of office
- pay other employee expenses to holders of office
- pay separation and redundancy to employees (other than holders of office)
- pay other employee expenses to employees (other than holders of office)
- pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- incur expenses due to holding a meeting as required under the rules of the organisation
- pay legal costs relating to litigation
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable to an employer for that employer making payroll deductions of membership subscriptions

- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- have a separation and redundancy provision in respect of holders of office
- have other employee provisions in respect of holders of office
- have a separation and redundancy provision in respect of employees (other than holders of office)
- have other employee provisions in respect of employees (other than holders of office)
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- provide cash flows to another reporting unit and/or controlled entity
- receive cash flows from another reporting units and/or controlled entity
- have another entity administer the financial affairs of the reporting unit
- make a payment to a former related party of the reporting unit

Signed by the officer:

Dated: