

# **Independent Education Union of Australia**

ABN: 44 401 438 657

**Financial Statements**

**For the Year Ended 31 December 2018**

# Independent Education Union of Australia

ABN: 44 401 438 657

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### For the Year Ended 31 December 2018

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**Independent Audit Report to the members of Independent Education Union of Australia****Report on the Audit of the Financial Report****Opinion**

We have audited the financial report of Independent Education Union of Australia (the Registered Organisation), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies, the Committee of Management, the subsection 255(2A) report and the officer declaration statement.

In our opinion, the accompanying financial report of the Registered Organisation presents fairly, in all material aspects, the financial position of Independent Education Union of Australia as at 31 December 2018, and its financial performance and its cash flows for the year ended on that date in accordance with:

- (i) the Australian Accounting Standards; and
- (ii) 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).

**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 are independent of the Registered Organisation in accordance with the ethical requirements of 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 fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report. Our opinion on the financial report does not cover the other information and accordingly we do not express 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, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have 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 are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the RO Act, and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

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

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

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

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

We communicate with the Committee of Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. I declare that I am an auditor registered under the Registered Organisations Act.

## Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, we are required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. We did not locate any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act. Therefore our opinion on the financial report is not modified.

Vincents Audit Pty Ltd



Phillip W Miller CA  
Director

Canberra

Dated this ..... 4th ..... day of ..... June ..... 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/24

**Independent Education Union of Australia**

**ABN: 44 401 438 657**

**Certificate by Prescribed Designated Officer**

I, Chris Watt, being the Secretary of the Independent Education Union of Australia certify:

- that the documents lodged herewith are copies of the full report for the Independent Education Union of Australia for the period ended referred to in s.268 of the Fair Work (Registered Organisations) Act 2009; and
- that the full report was provided to members of the reporting unit on .....; and
- that the full report was presented to a meeting of the committee of management of the reporting unit on .....2019 in accordance with s.266 of the Fair Work (Registered Organisations) Act 2009.

Signature of the prescribed designated officer: .....

Name of the prescribed designated officer: Chris Watt

Title of the prescribed designated officer: FEDERAL SECRETARY

Dated: .....

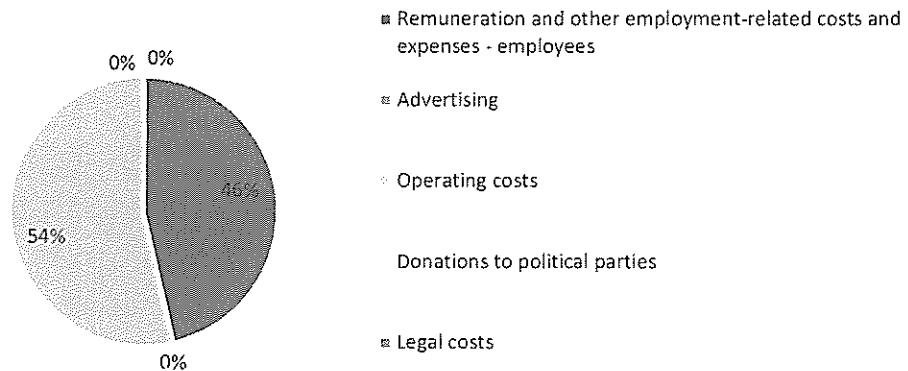
# Independent Education Union of Australia

ABN: 44 401 438 657

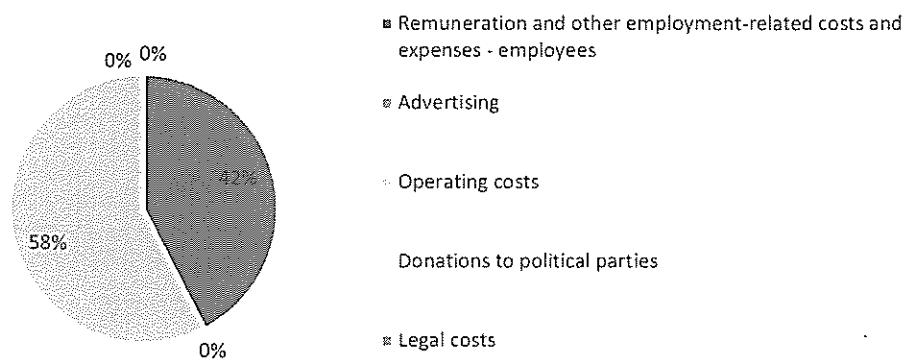
## Report Required Under Subsection 255(2A) for the year ended 31 December 2018

The Committee of Management presents the expenditure report as required under subsection 255(2A) on the Reporting Unit for the year ended 31 December 2018.

### 2018 - Expenditure as required under s. 255(2A) RO Act



### 2017 - Expenditure as required under s. 255(2A) RO Act



Signature of the designated officer:



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

Dated: .....23.5.19.....

# Independent Education Union of Australia

ABN: 44 401 438 657

## Operating Report

For the Year Ended 31 December 2018

The Committee of Management presents its operating report on the Reporting Unit for the year ended 31 December 2018.

### **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.

# Independent Education Union of Australia

ABN: 44 401 438 657

## Operating Report For the Year Ended 31 December 2018

### Right of members to resign

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

#### 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:
  - (i) where the member cease to be eligible to become a member of the Union:
    - (A) on the day on which the notice is received by the Union; or
    - (B) 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 members;  
whichever is later; or
  - (ii) in any other case
    - (A) at the end of two weeks after the notice is received by the organisation; or
    - (B) 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.

# Independent Education Union of Australia

ABN: 44 401 438 657

## Operating Report For the Year Ended 31 December 2018

### 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
Cathy Hickey	Federal Council member, Director NGS Super Fund
Terry Burke	Federal Council member, Federal Deputy President, Secretary IEUA QNT Branch Director QIEC Pty. Ltd, the Corporate Trustee of QIEC Super
John Spriggs	Federal Council member, Senior Industrial Officer IEUA QNT Branch Director QIEC Pty. Ltd, the Corporate Trustee of QIEC Super
Chris Seymour	Industrial Co-ordinator IEUA QNT Branch Alternate Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super
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 72,888 members on the register of members on 31st December 2018.

### Number of employees

As at 31 December 2018, the number of employees employed on a full-time equivalent basis was 4.4 FTE.

# Independent Education Union of Australia

ABN: 44 401 438 657

## Operating Report

For the Year Ended 31 December 2018

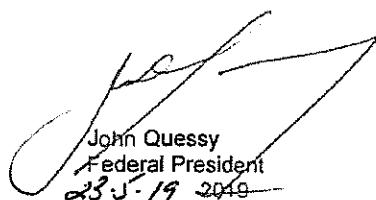
### Names of Committee of Management members and period positions held during the financial year

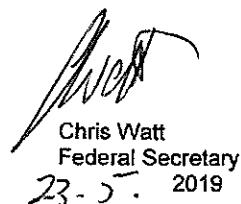
The following persons are on the Federal Executive of the Union. The period of time during the reporting period for which they have held their position is indicated.:

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 Seidel	Vice President	12 months
Angela Briant	Delegate	12 months
Gloria Taylor	Delegate	12 months

The Operating report for the period ended 31st December 2018 was prepared by Chris Watt, Federal Secretary.

Signature:

  
John Quessy  
Federal President  
23.12.2019

  
Chris Watt  
Federal Secretary  
23.12.2019

For Federal Executive:  
Title of office held  
Dated:

## Committee of Management Statement

On 23/5/19 2019 the Federal Council of the Independent Education Union of Australia passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2018:

The Federal Council 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 flow 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
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

This declaration is made in accordance with a resolution of the Committee of Management.

Signature of designated officer: ..... 

Name and title of designated officer: CHRIS WATT, FEDERAL SECRETARY

Dated: ..... 23.5.19 .....

## Statement of Comprehensive Income

For the Year Ended 31 December 2018

		2018	2017
	Note	\$	\$
<b>Revenue</b>			
Membership subscription*		-	-
Capitation fees and other revenue from another reporting unit*	3A	<b>1,380,234</b>	1,204,666
Levies	3B	-	-
Interest	3C	<b>2,974</b>	2,919
Other revenue	3D	<b>440,641</b>	424,520
<b>Total revenue</b>		<b>1,823,849</b>	1,632,105
<b>Other income</b>			
Revenue from recovery of wages activity*	3E	-	-
Grants and/or donations*	3F	-	-
<b>Total other income</b>		-	-
<b>Total income</b>		<b>1,823,849</b>	1,632,105
<b>Expenses</b>			
Employee expenses	4A	(817,391)	(684,619)
Capitation fees and other expense to another reporting unit*	4B	-	-
Affiliation fees	4C	<b>(636,766)</b>	(584,252)
Administration expenses	4D	<b>(280,970)</b>	(304,760)
Grants or donations	4E	<b>(17,500)</b>	(33,254)
Depreciation and amortisation	4F	<b>(882)</b>	(922)
Legal costs	4G	-	-
Audit fees	13	<b>(8,000)</b>	(4,900)
Other expenses	4H	<b>(1,425)</b>	-
<b>Total expenses</b>		<b>(1,762,934)</b>	(1,612,707)
<b>Surplus (deficit) for the year</b>		<b>60,915</b>	19,398
<b>Other comprehensive income</b>			
Items that will be subsequently reclassified to profit or loss			
Net gain on available for sale investments		-	-
Items that will not be subsequently reclassified to profit or loss			
Gain on revaluation of land and buildings		-	-
<b>Other comprehensive income for the year</b>		-	-
<b>Total comprehensive income for the year</b>		<b>60,915</b>	19,398

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

The Registered Organisation has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

**Statement of Financial Position**  
**As At 31 December 2018**

	Note	2018	2017
		\$	\$
<b>ASSETS</b>			
CURRENT ASSETS			
Cash and cash equivalents	5A	<b>417,140</b>	309,954
Trade and other receivables*	5B	<b>2,416</b>	2,416
Other current assets	5C	<b>21,344</b>	1,936
<b>TOTAL CURRENT ASSETS</b>		<b>440,900</b>	314,306
NON-CURRENT ASSETS			
Plant and equipment	6A	<b>3,533</b>	4,415
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,533</b>	4,415
<b>TOTAL ASSETS</b>		<b>444,433</b>	318,721
<b>LIABILITIES</b>			
CURRENT LIABILITIES			
Trade payables	7A	<b>37,311</b>	23,024
Other payables	7B	<b>35,284</b>	28,899
Employee provisions	8A	<b>325,591</b>	285,498
<b>TOTAL CURRENT LIABILITIES</b>		<b>398,186</b>	337,421
NON-CURRENT LIABILITIES			
Employee provisions	8A	<b>11,439</b>	7,407
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>11,439</b>	7,407
<b>TOTAL LIABILITIES</b>		<b>409,625</b>	344,828
<b>NET ASSETS</b>		<b>34,808</b>	(26,107)
<b>Equity</b>			
Retained earnings	9	<b>34,808</b>	(26,107)
<b>TOTAL EQUITY</b>		<b>34,808</b>	(26,107)
<b>34,808</b>		<b>34,808</b>	(26,107)

\*As required by the Reporting Guidelines. Item to remain even if 'nil'.

The Registered Organisation has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

Independent Education Union of Australia

ABN: 44 401 438 657

**Statement of Changes in Equity**  
**For the Year Ended 31 December 2018**

	<b>Retained earnings</b>	<b>Total</b>
	\$	\$
Balance at 1 January 2017	(45,505)	(45,505)
Surplus for the year	19,398	19,398
<b>Closing balance as at 31 December 2017</b>	<b>(26,107)</b>	<b>(26,107)</b>
<b>Balance at 1 January 2018</b>	<b>(26,107)</b>	<b>(26,107)</b>
<b>Surplus for the year</b>	<b>60,915</b>	<b>60,915</b>
<b>Closing balance as at 31 December 2018</b>	<b>34,808</b>	<b>34,808</b>

The Registered Organisation has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

**Statement of Cash Flows**  
For the Year Ended 31 December 2018

	Note	2018	2017
		\$	\$
<b>OPERATING ACTIVITIES:</b>			
<b>Cash received</b>			
Receipts from customers		2,002,959	1,792,163
Proceeds from interest received classified as operating		2,974	2,919
<b>Cash used</b>			
Payment to suppliers		(1,020,470)	(684,619)
Payment to employees		(766,540)	(1,069,375)
Payments to the ATO		(111,737)	(94,295)
Net cash from (used by) operating activities	10B	<u>107,186</u>	<u>(53,207)</u>
<b>INVESTING ACTIVITIES:</b>			
<b>Cash used</b>			
Purchase of property, plant and equipment		-	(2,065)
Net cash from (used by) investing activities		<u>-</u>	<u>(2,065)</u>
Net increase (decrease) in cash and cash equivalents held		107,186	(55,272)
Cash and cash equivalents at beginning of the reporting period		<u>309,954</u>	<u>365,226</u>
Cash and cash equivalents at end of the reporting period	5A	<u>417,140</u>	<u>309,954</u>

Independent Education Union of Australia

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**Notes to the Financial Statements  
For the Year Ended 31 December 2018**

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**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**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 - ACT 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 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 2018.

**1.4 Change in Accounting Policy**

**Financial Instruments – Adoption of AASB 9**

The Registered Organisation has adopted AASB 9 Financial Instruments for the first time in the current year with a date of initial adoption of 1 January 2018.

As part of the adoption of AASB 9, the Registered Organisation adopted consequential amendments to other accounting standards arising from the issue of AASB 9 as follows:

AASB 101 Presentation of Financial Statements requires the impairment of financial assets to be presented in a separate line item in the statement of profit or loss and other comprehensive income. In the comparative year, this information was presented as part of other expenses.

AASB 7 Financial Instruments: Disclosures requires amended disclosures due to changes arising from AASB 9, these disclosures have been provided for the current year.

The key changes to the Registered Organisation's accounting policy and the impact on these financial statements from applying AASB 9 are described below.

Changes in accounting policies resulting from the adoption of AASB 9 have been applied retrospectively except the Registered Organisation has not restated any amounts relating to classification and measurement requirements including impairment which have been applied from 1 January 2018.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**1 Summary of Significant Accounting Policies**

**1.4 Change in Accounting Policy**

**Financial Instruments – Adoption of AASB 9**

**Classification of financial assets**

The financial assets of the Registered Organisation have been reclassified into one of the following categories on adoption of AASB 9 based on primarily the business model in which a financial asset is managed and its contractual cash flow characteristics:

- Measured at amortised cost

**Impairment of financial assets**

The incurred loss model from AASB 139 has been replaced with an expected credit loss model in AASB 9 for assets measured at amortised cost, contract assets and fair value through other comprehensive income. This has resulted in the earlier recognition of credit loss (bad debt provisions).

**Transition adjustments**

The classification of financial instruments from held-to-maturity to financial assets at amortised cost which involved the term deposits did not result in a significant change and, as a result, the adoption of AASB 9 did not lead to restatement of the comparative figures nor the retained earnings.

**1.5 Adoption of new and revised accounting standards**

The Registered Organisation has adopted all standards which became effective for the first time at 31 December 2018, the adoption of these standards has not caused any material adjustments to the reported financial position, performance or cash flow of the Registered Organisation or refer to Note 1.4 for details of the changes due to standards adopted.

**1.6 New Australian Accounting Standards**

**Adoption of new and revised accounting standards**

- AASB 2016-4 Amendments to Australian Accounting Standards – Recoverable Amount of Non-Cash Generating Specialised Assets of Not-for-Profit Entities, which amends AASB 136 Impairment of Assets to remove references to depreciated replacement cost as a measure of value in use for not-for-profit entities and clarify that not-for-profit entities holding non-cash-generating specialised assets at fair value in accordance with AASB 13 Fair Value Measurement under the revaluation model in AASB 116 Property, Plant and Equipment no longer need to consider AASB 136. Not-for-profit entities holding such assets at cost may determine recoverable amounts using current replacement cost in AASB 13 as a measure of fair value for the purposes of AASB 136. The entity does not hold specialised assets, there is no impact on the financial statements.
- AASB 2016-2 Amendment to Australian Accounting Standards – Disclosure Initiative Amendments to AASB 107, which amends AASB 107 Statement of Cash Flows (August 2015) to require entities preparing financial statements in accordance with Tier 1 reporting requirements to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and no-cash changes. The Australian Education Union - ACT Branch has provided the information for both current and comparative period in Note 11.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**1 Summary of Significant Accounting Policies**

**1.6 New Australian Accounting Standards**

**Future Australian Accounting Standards Requirements**

- AASB 16 *Leases* sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. This information gives a basis for users of financial statements to assess the effect that leases have on the financial position, financial performance and cash flows of an entity. This standard applies to annual reporting periods beginning on or after 1 January 2019.
- AASB 15 *Revenue from Contracts with Customers* sets out the principles for the recognition, presentation and disclosure of revenue from contracts with customers. The objective is to establish the principles that an entity shall apply to report useful information to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. This standard applies to annual reporting periods beginning on or after 1 January 2019.
- AASB 1058 *Income of Not-for-profit Entities* clarifies and simplifies the income recognition requirements that apply to not-for-profit entities, in conjunction with AASB 15 Revenue from Contracts with Customers. The objective is to establish principles for not-for-profit entities that apply to transactions where the consideration to acquire an asset is significantly less than fair value and the receipt of volunteer services. This standard applies to annual reporting periods beginning on or after 1 January 2019.

**1.7 Revenue and other income**

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

**Donations**

Donations and bequests are recognised as revenue when received.

**Subscriptions**

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

**Other income**

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

**1.8 Gains**

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

**1.9 Capitation fees and levies**

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

**Notes to the Financial Statements  
For the Year Ended 31 December 2018**

**1 Summary of Significant Accounting Policies**

**1.10 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 reporting unit 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.

**1.11 Cash and cash equivalents**

Cash is recognised at its nominal amount. Cash and cash equivalents include cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**1.12 Leases**

Lease payments for operating leases, where substantially all of the risks and benefits remain with the lessor, are charged as expenses on a straight-line basis over the life of the lease term.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**1 Summary of Significant Accounting Policies**

**1.13 Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST.

Cash flows in the statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

**1.14 Plant and equipment**

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation and impairment.

Items of property, plant and equipment acquired for nil or nominal consideration have been recorded at the acquisition date fair value.

**Plant and equipment**

Plant and equipment are measured using the cost model.

**Depreciation**

Plant and equipment, excluding freehold land, is depreciated on a straight-line basis over the assets useful life to the Registered Organisation, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

<b>Fixed asset class</b>	<b>Depreciation rate</b>
Computer Equipment	25%

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**1 Summary of Significant Accounting Policies**

**1.15 Financial instruments**

For comparative year

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

For current year

Financial instruments are recognised initially on the date that the Registered Organisation becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Classification*

On initial recognition, the Registered Organisation classifies its financial assets into the following categories, those measured at:

- amortised cost

Financial assets are not reclassified subsequent to their initial recognition unless the Registered Organisation changes its business model for managing financial assets.

**Notes to the Financial Statements  
For the Year Ended 31 December 2018**

**1 Summary of Significant Accounting Policies**

**1.15 Financial instruments**

**Financial assets**

*Amortised cost*

Assets measured at amortised cost are financial assets where:

- the business model is to hold assets to collect contractual cash flows; and
- the contractual terms give rise on specified dates to cash flows are solely payments of principal and interest on the principal amount outstanding.

The Registered Organisation's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Subsequent to initial recognition, these assets are carried at amortised cost using the effective interest rate method less provision for impairment.

Interest income, foreign exchange gains or losses and impairment are recognised in profit or loss. Gain or loss on derecognition is recognised in profit or loss.

*Impairment of financial assets*

Impairment of financial assets is recognised on an expected credit loss (ECL) basis for the following assets:

- financial assets measured at amortised cost

When determining whether the credit risk of a financial assets has increased significant since initial recognition and when estimating ECL, the Registered Organisation considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Registered Organisation's historical experience and informed credit assessment and including forward looking information.

The Registered Organisation uses the presumption that an asset which is more than 30 days past due has seen a significant increase in credit risk.

The Registered Organisation uses the presumption that a financial asset is in default when:

- the other party is unlikely to pay its credit obligations to the Registered Organisation in full, without recourse to the Registered Organisation to actions such as realising security (if any is held).

Credit losses are measured as the present value of the difference between the cash flows due to the Registered Organisation in accordance with the contract and the cash flows expected to be received. This is applied using a probability weighted approach.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**1 Summary of Significant Accounting Policies**

**1.15 Financial instruments**

**Financial assets**

*Trade receivables*

Impairment of trade receivables have been determined using the simplified approach in AASB 9 which uses an estimation of lifetime expected credit losses. The Registered Organisation has determined the probability of non-payment of the receivable and multiplied this by the amount of the expected loss arising from default.

The amount of the impairment is recorded in a separate allowance account with the loss being recognised in finance expense. Once the receivable is determined to be uncollectable then the gross carrying amount is written off against the associated allowance.

Where the Registered Organisation renegotiates the terms of trade receivables due from certain customers, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in profit or loss.

*Other financial assets measured at amortised cost*

Impairment of other financial assets measured at amortised cost are determined using the expected credit loss model in AASB 9. On initial recognition of the asset, an estimate of the expected credit losses for the next 12 months is recognised. Where the asset has experienced significant increase in credit risk then the lifetime losses are estimated and recognised.

**Financial liabilities**

The Registered Organisation measures all financial liabilities initially at fair value less transaction costs, subsequently financial liabilities are measured at amortised cost using the effective interest rate method.

The financial liabilities of the Registered Organisation comprise trade payables, bank and other loans and finance lease liabilities.

**Impairment of Financial Assets**

At the end of the reporting period the Registered Organisation assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired.

*Financial assets at amortised cost*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance accounts, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**1 Summary of Significant Accounting Policies**

**1.16 Provisions**

Provisions are recognised when the Registered Organisation has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

**1.17 Going concern**

The Registered Organisation is not reliant on any of the agreed financial support to continue on a going concern basis.

The Registered Organisation has not agreed to provide anyone with financial support to ensure they can continue on a going concern basis.

**2 Events after the end of the Reporting Period**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Registered Organisation, the results of those operations or the state of affairs of the Registered Organisation in future financial years.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**3 Revenue**

**3A Capitation fees and other revenue from another reporting unit\***

	2018	2017
	\$	\$
<b>Capitation fees</b>		
Capitation fees	<u>1,380,234</u>	1,204,666
<b>Subtotal capitation fees</b>	<u>1,380,234</u>	1,204,666
<b>Other revenue from another reporting unit</b>		
<b>Subtotal other revenue from another reporting unit</b>	-	-
<b>Total capitation fees and another revenue from other reporting unit</b>	<u>1,380,234</u>	1,204,666

**3B Levies\***

Levies		
<b>Total levies</b>	-	-

**3C Interest**

Interest income	<u>2,974</u>	2,919
<b>Total interest</b>	<u>2,974</u>	2,919

**3D Other revenue**

Revenue from operating activities	<u>440,641</u>	424,520
<b>Total other revenue</b>	<u>440,641</u>	424,520

**3E Revenue from recovery of wages activity\***

<b>Total revenue from recovery of wages activity</b>		
	-	-

**3F Grants and/or donations\***

Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	-	-

\* 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**4 Expenses**

**4A Employee expenses\***

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Holders of office:</b>		
Wages and salaries	538,416	468,965
Superannuation	79,349	76,523
Leave and other entitlements	13,862	(5,294)
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses holders of office</b>	<b>631,627</b>	<b>540,194</b>
<b>Employees other than office holders:</b>		
Wages and salaries	135,185	103,275
Superannuation contributions	20,316	19,574
Leave and other entitlements	30,263	21,576
Separation and redundancies	-	-
Other employee expenses	-	-
<b>Subtotal employee expenses, employees other than office holders</b>	<b>185,764</b>	<b>144,425</b>
<b>Total employee expenses</b>	<b>817,391</b>	<b>684,619</b>

**4B Capitation fees and other expenses to another reporting unit\***

Capitation fees	-	-
<b>Total capitation fees and other expenses to another reporting unit</b>	<b>-</b>	<b>-</b>

**4C Affiliation fees\***

Australian Council of Trade Unions	435,176	423,397
International - Education International	183,407	160,855
The Council of Pacific Education	15,000	-
Australian People For Health Education & Development Abroad	3,183	-
<b>Total affiliation fees</b>	<b>636,766</b>	<b>584,252</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**4 Expenses**

**4D Administration expenses**

	2018	2017
	\$	\$
Total paid to employers for payroll deductions of membership subscriptions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	154,797	190,018
Communication and website costs	10,057	8,113
Office Expenses	78,440	68,330
<b>Subtotal administration expense</b>	<b>243,294</b>	266,461
Operating lease rentals:		
Minimum lease repayments	37,676	38,299
<b>Total administration expenses</b>	<b>280,970</b>	304,760

**4E Grants or donations\***

Grants:

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-

Donations:

Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	17,500	33,254
<b>Total grants or donations</b>	<b>17,500</b>	33,254

**4F Depreciation and amortisation**

Depreciation of property, plant and equipment	882	922
<b>Total depreciation</b>	<b>882</b>	922

Amortisation	-	-
<b>Total depreciation and amortisation</b>	<b>882</b>	922

**4G Legal costs\***

<b>Total legal costs</b>	<b>-</b>	<b>-</b>

**4H Other expenses**

Other Expenses	1,425	-
<b>Total other expenses</b>	<b>1,425</b>	<b>-</b>

\* 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**5 Current Assets**

**5A Cash and cash equivalents**

	<b>2018</b>	<b>2017</b>
	\$	\$
Cash at bank and in hand	247,155	142,916
Business investment account	169,985	167,038
	<hr/>	<hr/>
	<b>417,140</b>	<b>309,954</b>

**5B Trade and other receivables**

Receivables from other reporting unit[s]*	-	-
<b>Total receivable from other reporting unit[s]</b>	<hr/>	<hr/>
<b>Other receivables:</b>		
Other trade receivables	2,416	2,416
<b>Total trade and other receivables [net]</b>	<hr/>	<hr/>

**5C Other current assets**

Prepayments	21,344	1,936
<b>Total other current assets</b>	<hr/>	<hr/>

\* 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**6 Non-current Assets**

**6A Plant and equipment**

	2018	2017
	\$	\$
Plant and equipment at cost	25,206	25,206
Accumulated depreciation	(21,673)	(20,791)
<b>Total plant and equipment</b>	<b>3,533</b>	<b>4,415</b>

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year:

As at 1 January		
Gross book value	25,206	23,142
Accumulated depreciation and impairment	(20,791)	(19,869)
<b>Net book value 1 January</b>	<b>4,415</b>	<b>3,273</b>
Additions:		
By purchase	-	2,064
Depreciation expense	(882)	(922)
<b>Net book value 31 December</b>	<b>3,533</b>	<b>4,415</b>
Net book value as of 31 December represented by:		
Gross book value	25,206	25,206
Impairment loss	-	-
Accumulated depreciation and impairment	(21,673)	(20,791)
<b>Net book value 31 December</b>	<b>3,533</b>	<b>4,415</b>

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**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**7 Current Liabilities**

**7A Trade payables**

	<b>2018</b>	<b>2017</b>
	\$	\$
Trade creditors and accruals	<b>37,311</b>	23,024
<b>Subtotal trade creditors</b>	<b>37,311</b>	23,024
Payable to other reporting units[s]*	-	-
<b>Subtotal payables to other reporting unit[s]</b>	<b>37,311</b>	23,024

**7B Other payables**

Superannuation	5,890	4,815
GST payable	29,394	24,084
<b>Total other payables</b>	<b>35,284</b>	28,899

\* 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**8 Provisions**

**8A Employee provisions\***

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Office holders:</b>		
Annual leave	108,068	106,199
Long service leave	198,699	171,489
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions - office holders</b>	<b>306,767</b>	277,688
<b>Employees other than office holders:</b>		
Annual Leave	18,824	7,810
Long service leave	11,439	7,407
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employees provisions - employees other than office holders</b>	<b>30,263</b>	15,217
<b>Total employee provisions</b>	<b>337,030</b>	292,905
Current	325,591	285,498
Non-Current	11,439	7,407
<b>Total employee provisions</b>	<b>337,030</b>	292,905

\* 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.

**9 Equity**

**9A Funds**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Retained earnings:</b>		
Balance at start of year	(26,107)	(45,505)
Current year earnings	60,915	19,398
<b>Balance as at end of year</b>	<b>34,808</b>	<b>(26,107)</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**10 Cash flow**

**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	417,140	309,954
Statement of financial position	(417,140)	(309,954)
<b>Difference</b>	<b>-</b>	<b>-</b>

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

Profit for the year	60,915	19,398
Adjustments for non-cash items:		
- depreciation	882	922
Changes in assets and liabilities:		
- (increase)/decrease in net receivables	-	59
- (increase)/decrease in prepayments	(19,408)	3,729
- increase/(decrease) in trade creditor	612	(9,280)
- increase/(decrease) in other payables	20,060	(7,215)
- increase/(decrease) in provisions	44,125	(60,820)
Cashflows from operations	107,186	(53,207)

**10C Cash flow information\***

	2018	2017
	\$	\$
Cash inflows		
Receipts from customers	2,002,959	1,792,163
Interest income	2,974	2,919
<b>Total cash inflows</b>	<b>2,005,933</b>	<b>1,795,082</b>
Cash outflows		
Payment to suppliers	(1,020,470)	(684,619)
Payment to employees	(766,540)	(1,069,375)
Payments to the ATO	(111,737)	(94,295)
<b>Total cash outflows</b>	<b>(1,898,747)</b>	<b>(1,848,289)</b>

\* 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**11 Contingent liabilities, assets and commitments**

In the opinion of the Directors, the Registered Organisation did not have any contingencies at 31 December 2018 (31 December 2017: None).

**11A Commitments and contingencies**

Operating lease commitments - as lessee

	<b>2018</b>	<b>2017</b>
	\$	\$
Future minimum rentals payable under non-cancellable operating leases as at 30 June are:		
- within one year	1,680	1,680
- after one year but not more than five years	820	2,520
- more than five years	-	-
	<b>2,500</b>	<b>4,200</b>

Operating sublease is in place for an office premises from 1 December 2016 to 1 December 2018.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**12 Related party disclosures**

**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:**

	<b>2018</b>	<b>2017</b>
	\$	\$
Capitation Fees	555,441	472,703
ACTU Levy	177,325	166,579
Payroll Tax	42,648	35,613
Postage and Courier	728	651
Expenses Reimbursement	4,313	-

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

Capitation Fees	361,041	315,291
ACTU Levy	115,263	111,108

**Revenue Received from IEUA - SA Branch includes the followings:**

Capitation Fees	65,463	58,702
ACTU Levy	20,899	20,686

**Revenue Received from IEUA - QNT Branch includes the followings:**

Capitation Fees	310,556	277,670
ACTU Levy	99,145	97,850

**Revenue Received from IEUA - WA Branch includes the followings:**

Capitation Fees	87,732	80,300
ACTU Levy	28,009	28,297

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

Income reimbursement	(282)	(673)
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Independent Education Union of Australia

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**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**12 Related party disclosures**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Expenses paid to IEUA - QNT Branch includes the followings:</b>		
Payroll Tax	(9,303)	(9,077)
Expenses Reimbursement	-	(69)
Payroll Tax	6,283	-
<b>Amounts owed to IEUA - QNT Branch includes the followings:</b>		
Payroll Tax	(833)	(797)

**12B Key management personnel remuneration for the reporting period**

<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	539,600	520,730
Annual leave accrued	(636)	25,439
	<hr/>	<hr/>
	<b>538,964</b>	<b>546,169</b>
<b>Post-employment benefits:</b>		
Superannuation	79,349	76,523
<b>Total</b>	<hr/>	<hr/>
	<b>79,349</b>	<b>76,523</b>
<b>Other long-term benefits:</b>		
Long service leave	81,871	72,250
<b>Total long-term benefits</b>	<hr/>	<hr/>
	<b>81,871</b>	<b>72,250</b>
Total Remuneration to Key Management Personnel	<hr/>	<hr/>
	<b>700,184</b>	<b>694,942</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**13 Remuneration of Auditors**

	2018	2017
	\$	\$
Value of the services provided		
- Financial statement audit services	<u>8,000</u>	4,900
<b>Total</b>	<b><u>8,000</u></b>	<b>4,900</b>

**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

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**14 Financial instruments**

**14A Categories of financial instruments**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Financial assets</b>		
Cash and cash equivalents	417,140	309,954
Trade and other receivables	2,416	2,416
<b>Carrying amount of financial assets</b>	<b>2,416</b>	<b>2,416</b>
<b>Financial liabilities</b>		
Financial liabilities at fair value	-	-
Trade payables	1,749	2,430
Other payables	1,558	3,312
<b>Carrying amount of financial liabilities</b>	<b>3,307</b>	<b>5,742</b>

The Registered Organisation has not restated comparatives when initially applying AASB 9, the comparative information has been prepared under AASB 139 *Financial Instruments: Recognition and Measurement*.

**14B Net income and expense from financial assets**

	<b>2018</b>	<b>2017</b>
	\$	\$
<b>Financial assets at amortised cost:</b>		
Interest revenue	2,974	2,919
<b>2,974</b>	<b>2,919</b>	

**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 (2017: nil)

**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 receivables 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.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**14 Financial instruments**

The Registered Organisation has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The risk management committee has established a credit policy under which each new customer is analysed individually for creditworthiness before the Registered Organisation's standard payment and delivery terms and conditions are offered.

The Board receives quarterly reports summarising the turnover, trade receivables balance and aging profile of each of the key customers individually.

The Registered Organisation's exposure to credit risk is influenced mainly by the individual characteristics of each customer.

Management considers that all the financial assets that are not impaired for each of the reporting dates under review are of good credit quality, including those that are past due.

The Registered Organisation has no significant concentration of credit risk with respect to any single counterparty or group of counterparties.

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

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

	2018	2017
	\$	\$
<b>Financial assets</b>		
Cash at bank	417,140	309,954
Other receivables	2,416	2,416
<b>Total</b>	<b>419,556</b>	<b>312,370</b>
<b>Financial liabilities</b>		
Other payables	409,625	344,828
<b>Total</b>	<b>409,625</b>	<b>344,828</b>

Credit quality of financial instruments not past due or individually determined as impaired.

	Not past due nor impaired	Past due or impaired	Not past due nor impaired	Past due or impaired
	2018	2018	2017	2017
	\$	\$	\$	\$
Cash at bank	417,140	-	309,954	-
Other receivables	2,416	-	2,416	-
Other payables	(409,625)	-	(344,828)	-
<b>Total</b>	<b>9,931</b>	<b>-</b>	<b>(32,458)</b>	<b>-</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**14 Financial instruments**

Ageing of financial assets that were past due but not impaired

	Gross amount	Past due and impaired	Past due but not impaired (days overdue)				Within initial trade terms
			< 30	31-60	61-90	> 90	
			\$	\$	\$	\$	
<b>2018</b>							
Cash at bank	417,140	-	-	-	-	-	417,140
Trade and other receivables	2,416	-	-	-	-	-	2,416
<b>Total</b>	<b>419,556</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>419,556</b>
<b>2017</b>							
Cash at bank	309,954	-	-	-	-	-	309,954
Trade and other receivables	2,416	-	-	-	-	-	2,416
<b>Total</b>	<b>312,370</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>312,370</b>

**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.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**14 Financial instruments**

**14F Market risk**

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

The table below reflects the undiscounted contractual maturity analysis for financial liabilities.

*Financial liability maturity analysis - Non-derivative*

	On demand		Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
			\$		\$		\$		\$	
<b>Financial liabilities due for payment</b>										
Trade and other payables (including estimated annual leave and deferred income)	-	-	409,625	344,828	-	-	-	-	409,625	344,828
<b>Total contractual outflows</b>	<b>-</b>	<b>-</b>	<b>409,625</b>	<b>344,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>409,625</b>	<b>344,828</b>

The timing of expected outflows is not expected to be materially different from contracted cashflows.

*(i) 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 exposure to interest rate risk for the Registered Organisation is considered to be immaterial.

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% (2017: +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 financial instruments held at each reporting date. All other variables are held constant.

	2018		2017	
	+1.00%	-1.00%	+1.00%	-1.00%
	\$	\$	\$	\$
Interest	4,171	(4,171)	3,100	(3,100)
Equity	(4,171)	4,171	(3,100)	3,100

**Notes to the Financial Statements  
For the Year Ended 31 December 2018**

**15 Fair value measurement**

**15A Financial assets and liabilities**

Management of the reporting unit assessed that cash, trade receivables and trade payables 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 2018 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 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 2018 the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**15 Fair value measurement**

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

	Carrying amount 2018 \$	Fair Value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
<b>Financial Assets</b>				
Cash at bank	417,140	417,140	309,954	309,954
Other trade receivables	2,416	2,416	2,416	2,416
<b>Total</b>	<b>419,556</b>	<b>419,556</b>	<b>312,370</b>	<b>312,370</b>
<b>Financial liabilities</b>				
Other payables	35,284	35,284	28,899	28,899
Trade creditor	37,311	37,311	23,024	23,024
<b>Total</b>	<b>72,595</b>	<b>72,595</b>	<b>51,923</b>	<b>51,923</b>

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

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Fair value hierarchy - 31 December 2018</b>				
<b>Assets measured at fair value</b>	-	-	-	-
Financial assets	-	417,140	-	417,140
<b>Total</b>	<b>-</b>	<b>417,140</b>	<b>-</b>	<b>417,140</b>
<b>Liabilities measured at fair value</b>	-	-	-	-
Payables	-	72,595	-	72,595
<b>Total</b>	<b>-</b>	<b>70,502</b>	<b>-</b>	<b>70,502</b>

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Fair value hierarchy - 31 December 2017</b>				
Financial Assets	-	309,954	-	309,954
<b>Total</b>	<b>-</b>	<b>309,954</b>	<b>-</b>	<b>309,954</b>
Liabilities measured at fair value	-	-	-	-
Payables	-	51,923	-	51,923
<b>Total</b>	<b>-</b>	<b>51,923</b>	<b>-</b>	<b>51,923</b>

**Notes to the Financial Statements**  
**For the Year Ended 31 December 2018**

**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).

Independent Education Union of Australia

ABN: 44 401 438 657

**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 2018.

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
- 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 legal costs relating to litigation
- pay legal costs relating to other legal matters
- pay a penalty imposed under the RO Act or the Fair Work Act 2009
- have a payable in respect of legal costs relating to litigation
- have a payable in respect of legal costs relating to other legal matters
- transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity

Signed by the officer:



Dated:

23-5-19