

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**FINANCIAL REPORT TO MEMBERS
FOR THE YEAR ENDING 31 DECEMBER 2016**

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

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THE INDEPENDENT EDUCATION UNION OF AUSTRALIA QUEENSLAND AND NORTHERN TERRITORY BRANCH

OPERATING REPORT

The Branch Executive (Committee of Management) of the Independent Education Union of Australia – Queensland and Northern Territory Branch presents its report for the period ended 31 December 2016.

Review of Principal Activities and Results

The principal activity of the Branch during the year was that of a branch of a registered union of employees. Those activities included, but were not limited to:

- Recruitment and retention of members;
- Provision of support and advice to members;
- Provision of support for overseas activities such as ongoing support for the Council of Pacific Education and the Shanghai Union Relationship;
- Provision of support for the federal union agenda in education, equity and industrial issues.

The Branch's principal activities resulted in:

- Maintenance and improvement of wages and conditions of employment for our members, especially those covered by collective bargaining agreements negotiated by our union;
- Growth of our solid membership base in Queensland and the Northern Territory, demonstrating member satisfaction of the support and advice currently provided to them; and
- Enhancement of our developing relationship with overseas organisations.

There were no significant changes to the nature of the Branch's activities during the year.

Significant Changes in Financial Affairs

On 1 September 2015 the Branch assumed responsibility for all expenses in relation to providing services to members and for collecting membership subscription revenue.

Right of Members to Resign

In accordance with Rule 21 of the Independent Education Union of Australia, a member may resign from membership by written notice addressed and delivered to the Branch Secretary.

Officers and Employees who are Superannuation Fund Trustees or are Directors of a Company that is a Superannuation Fund Trustee are:

Terence Burke	Branch Secretary	Director of QIEC Pty Ltd, the Corporate Trustee of QIEC Super
John Spriggs	Senior Industrial Officer	Director of QIEC Pty Ltd, the Corporate Trustee of QIEC Super
Chris Seymour	Industrial Services Co-ordinator	Alternate Director of QIEC Pty Ltd, the Corporate Trustee of QIEC Super

Number of Members

The number of members recorded at the end of the financial year was 17,798.

Number of Employees

The number of employees (on a full time equivalent basis) at the end of the financial year was 61.

Names of Committee of Management Members and the Periods Held During the Financial Year

Queensland Division:

The following persons held positions on the Committee of Management during the reporting period:

Andrew Elphinstone	President	Full year
Terence Burke	Branch Secretary	Full year
Paul Giles	Assistant Branch Secretary/Treasurer	Full year
Bradley Hayes	Assistant Branch Secretary	Full year
Rebecca Sisson	Assistant Branch Secretary	Full year
Aleisha Connellan	Senior Vice-President (Queensland Division)	Full year
Des McGovern	Junior Vice-President	1/1/16 – 28/10/16
Bryce Goldberg	Branch Executive Member	Full year
Peter Butler-Wood	Branch Executive Member	1/1/16 – 28/10/16
Lynette Byrnes	Branch Executive Member	Full year
Christopher Chapman	Branch Executive Member	Full year
Beverley Day	Branch Executive Member	Full year
Colin Grant	Branch Executive Member	Full year
John Kennedy	Branch Executive Member	Full year
Kerry Laws	Branch Executive Member	1/1/16 – 28/10/16
Lea Martin	Branch Executive Member	Full year
Mary Osterio	Branch Executive Member	1/1/16 – 5/1/16
Andrew Street	Branch Executive Member	1/1/16 – 12/1/16
		31/10/16 – 31/12/16
Janine Colwell	Branch Executive Member	Full year
Jodie Dern	Branch Executive Member	1/1/16 – 9/5/16
Ian Hughes	Branch Executive Member	Full year
Jessica Prouten	Branch Executive Member	Full year
Jennifer Finlay	Branch Executive Member	Full year
Victoria McTaggart	Branch Executive Member	1/1/16 – 28/10/16
Neridah Kaddatz	Branch Executive Member	Full year
Karyl Young	Branch Executive Member	Full year
Anthony Cooper	Branch Executive Member	31/10/16 – 31/12/16
Peter de Waard	Branch Executive Member	7/2/16 – 31/12/16
Cameron Love	Branch Executive Member	7/2/16 – 31/12/16
Anthony Hallam	Branch Executive Member	31/10/16 – 31/12/16
Erin Hawkins	Branch Executive Member	31/10/16 – 31/12/16
Mick Muhling	Branch Executive Member	31/10/16 – 31/12/16
Melissa Roth	Branch Executive Member	31/10/16 – 31/12/16

Northern Territory Division:

The following persons held positions on the Committee of Management during the reporting period:

Erica Schultz	Senior Vice-President (NT Division)	Full year
Louise Lenzo	Branch Executive Member	Full year
Sam Typuszak	Branch Executive Member	Full year

Date: 11 April 2017

Signature of designated officer:

A handwritten signature in black ink, appearing to read 'T. P. Burke', is written over a horizontal line.

Name of designated officer: Terence P Burke – Branch Secretary

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

COMMITTEE OF MANAGEMENT STATEMENT

On 21 May 2017, the Committee of Management (Branch Executive) of the Independent Education Union of Australia – Queensland and Northern Territory Branch passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016.

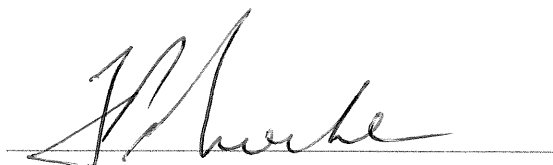
The IEUA-QNT Branch Executive declares that in its opinion:

- (a) the financial statements and notes comply with Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation and the rules of the Branch; and
 - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation and the rules of the Branch; and
 - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act ; and
 - (iv) 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 General Manager duly made under section 272 of the RO Act, that information has been provided to the member or General Manager; and
 - (vi) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (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.

Date: 21 May 2017

Signature of prescribed designated officer:

A handwritten signature in black ink, appearing to read 'Terry Burke', is written over a horizontal line.

Name of prescribed designated officer: Terry Burke – Branch Secretary

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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FINANCIAL STATEMENTS – 31 DECEMBER 2016

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**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016	2015
REVENUE		\$	\$
Membership Subscriptions		9,570,771	3,457,349
Affiliation Fees	2A	-	266,900
Levies	2C	-	-
Interest	2D	36,420	25,707
Grants and/or Donations	2E	-	-
Other Revenue		<u>229,525</u>	<u>38,684</u>
Total Revenue		<u>9,836,716</u>	<u>3,788,640</u>
EXPENSES			
Employee Expenses	3A	6,579,166	2,313,696
Capitation Fees	3B	271,621	249,105
Affiliation Fees	3C	98,173	60,794
Administration Expenses	3D	2,223,780	886,562
Grants or Donations	3E	32,353	8,350
Depreciation and Amortisation	3F	54,609	14,764
Legal Costs	3G	216,723	23,708
Audit Fees	10	7,000	6,000
Other Expenses	3H	<u>265,122</u>	<u>195,158</u>
Total Expenses		<u>9,748,547</u>	<u>3,758,137</u>
Surplus for the Year		<u>88,169</u>	<u>30,503</u>
Total Comprehensive Income for the Year		<u>88,169</u>	<u>30,503</u>

The above statement should be read in conjunction with the notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	Note	2016	2015
CURRENT ASSETS		\$	\$
Cash and Equivalents	4A	3,686,648	2,233,258
Trade & Other Receivables	4B	555,376	1,990,865
Other Current Assets	4C	198,330	181,895
		<u>4,440,354</u>	<u>4,406,018</u>
NON-CURRENT ASSETS			
Office Furniture, Equipment & Vehicles	5	278,495	194,038
TOTAL ASSETS		<u>4,718,849</u>	<u>4,600,056</u>
CURRENT LIABILITIES			
Trade Payables	6A	213,588	314,207
Other Payables	6B	1,473,768	1,589,477
Employee Provisions	7	943,746	789,827
TOTAL CURRENT LIABILITIES		<u>2,631,102</u>	<u>2,693,511</u>
NON CURRENT LIABILITIES			
Employee Provisions	7	926,671	833,638
TOTAL NON CURRENT LIABILITIES		<u>926,671</u>	<u>833,638</u>
TOTAL LIABILITIES		<u>3,557,773</u>	<u>3,527,149</u>
NET ASSETS		<u>1,161,076</u>	<u>1,072,907</u>
Represented By:			
EQUITY - MEMBERS' FUNDS			
Retained Earnings		<u>1,161,076</u>	<u>1,072,907</u>
TOTAL EQUITY		<u>1,161,076</u>	<u>1,072,907</u>

The above statement should be read in conjunction with the notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Retained Earnings	Total Equity
Balance as at 1 January 2015	1,042,404	1,042,404
Surplus for Year	<u>30,503</u>	<u>30,503</u>
Closing Balance as at 31 December 2015	1,072,907	1,072,907
Surplus for Year	<u>88,169</u>	<u>88,169</u>
Closing Balance as at 31 December 2016	<u>1,161,076</u>	<u>1,161,076</u>

No fund or account was operated during the financial year in respect of compulsory levies or voluntary contributions collected from members.

The above statement should be read in conjunction with the notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Note	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash Received			
Receipts from Other Reporting Units/Related Parties	8B	1,497,565	1,817,570
Interest		36,420	25,707
Membership		9,530,123	3,848,305
Other		188,309	38,684
		<u>11,252,417</u>	<u>5,730,266</u>
Cash Used			
Suppliers, Employees & Members		8,496,919	3,561,790
Payment to Other Reporting Units/Related Parties	8B	1,163,042	791,581
Net Cash from (used by) Operating Activities	8A	<u>1,592,456</u>	<u>1,376,895</u>
INVESTING ACTIVITIES			
Cash Received			
		-	-
Cash Used			
Purchase of Plant and Equipment		(139,066)	(207,003)
Net Cash from (used by) Investing Activities		<u>(139,066)</u>	<u>(207,003)</u>
FINANCING ACTIVITIES			
Cash Received			
		-	-
Cash Used			
		-	-
Net Cash from (used by) Financing Activities		<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash held		<u>1,453,390</u>	<u>1,169,892</u>
Cash & Cash equivalents at the beginning of the reporting period		<u>2,233,258</u>	<u>1,063,366</u>
Cash & Cash Equivalents at the end of the reporting period	4A	<u>3,686,648</u>	<u>2,233,258</u>

The above should be read in conjunction with the accompanying notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**RECOVERY OF WAGES ACTIVITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
Cash Assets in respect of recovered money at beginning of year	-	-
Receipts	-	-
Payments	<u>-</u>	<u>-</u>
Cash Assets in respect of recovered money at end of year	<u>-</u>	<u>-</u>

The above statement should be read in conjunction with the notes

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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 Queensland and Northern Territory 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 at 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 Accounting Judgements and Estimates

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Accounting Estimates and Assumptions

The Branch makes estimates and assumptions concerning the future. The resulting accounting estimates by definition seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(b) Critical Judgements in applying the Branch's Accounting Principles

There are no critical judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities.

(c) Estimation of useful life of Assets

The branch's assumptions about the useful life of assets are set out in item Note 1.10 of this note.

(d) Long Service Leave Provision

The branch's assumptions in determining the provision for long service leave are set out in Note 1.7 of this note.

1.4 New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

No accounting standard has been adopted earlier than the application date stated in the standard.

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1.4 New Australian Accounting Standards (cont'd)

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet effective have not been adopted for the financial year ended 31 December 2016. These are outlined in the table below.

Reference	Title	Summary	Application date of standard	Impact on financial report	Application date for the Union
AASB 15	Revenue from contracts with customers	This standard provides a single comprehensive framework for determining whether, how much and when revenue is recognised. The core principle of the standard is that an entity will recognise revenue when control of goods or services is transferred rather than on transfer of risks and rewards as is currently the case under AASB118: Revenue.	For financial years commencing after 1 January 2018.	The Branch is yet to assess its full impact.	1 July 2017
AASB 16 (issued February 2016)	Leases	This standard eliminates the operating and finance lease classifications for lessees currently accounted for under AASB 117 Leases. It requires the entity to bring most leases onto its balance sheet in a similar way to how existing leases are treated under AASB 117. An entity will be required to recognise a lease liability and a right of use of the asset in its balance sheet. There are some exemptions such as leases with a period of 12 months or less and low value leases are exempted.	For financial years commencing on or after 1 January 2019.	The Branch is yet to assess its full impact.	1 July 2018

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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1.4 New Australian Accounting Standards (cont'd)

Accounting Standards Issued But Not Yet Effective

There have been no accounting standards issued which will have a financial impact on the financial report in future periods and which are not yet effective.

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.

Board fees are fees received where union officers are appointed to a board of trustees for superannuation funds as union representatives. These fees are recognised in the period to which they relate.

Donation income is recognised when it is received.

Interest revenue is recognised as received.

1.6 Affiliations, Capitation Fees and Levies

Affiliations, Capitation Fees and Levies are recognised on an accrual basis and recorded as a revenue and/or expense in the year to which they relate.

1.7 Employee Benefits

Provisions for employee benefits in the form of Annual Leave and Long Service Leave have been made for the estimated entitlements of all employees on the basis of their terms of employment.

In the case of Long Service Leave, the provision has been measured by reference to periods of service and current salary rates as it is considered that this results in an amount not materially different to that achieved by discounting estimated future cash flows.

Contributions are made by the Union to employee superannuation funds and are charged as expenses when incurred.

As outlined in Note 9 the Queensland Independent Education Union provided staff and administrative services to the Independent Education Union of Australia - Queensland and Northern Territory Branch for the period 1/1/15 - 30/6/15. These costs were reimbursed by the Branch as incurred and are included in the comparative figures for the year ended 31 December 2015.

1.8 Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash at bank and on hand and short term bank deposits that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1.9 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.

1.10 Office Furniture, Equipment and Vehicles

Asset Recognition Threshold

Purchases of office furniture, equipment & vehicles 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 office furniture, equipment & vehicles are written off to their estimated residual values over their estimated useful life. 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:

	2016	2015
Office Furniture and Equipment	5 to 10 years	5 to 10 years
Motor Vehicles	5 years	5 years

Derecognition

An item of 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 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.

1.11 Impairment of Financial and 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 to sell 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 Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

For certain categories of financial assets such as trade receivables where there is impairment noted the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectable it is written off against the allowance account.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1.12 Taxation

The Union is exempt from income tax under section 50.15 of the Income Tax Assessment Act 1997, however still has obligation for 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.

NOTE 2 INCOME	2016	2015
	\$	\$
Note 2A: Affiliation Fees		
Queensland Independent Education Union	-	266,900
Note 2B: Capitation Fees	-	-
Note 2C: Levies	-	-
Note 2D: Interest		
Deposits	36,420	25,707
Total Interest	36,420	25,707
Note 2E: Grants or Donations	-	-
NOTE 3 EXPENSES		
Note 3A: Employee Expenses		
Holders of Office:		
Wages and Salaries	581,030	210,962
Superannuation	88,964	29,052
Leave and Other Entitlements	142,173	39,223
Separation and Redundancies	-	-
Other Employee Expenses	58,912	18,095
	871,079	297,332
Employees other than Office Holders:		
Wages and Salaries	4,006,439	1,604,148
Superannuation	601,649	210,254
Leave and Other Entitlements	636,246	66,934
Separation and Redundancies	16,028	18,545
Other Employee Expenses	447,725	116,483
Subtotal Employee Expenses other than Office Holders	5,708,087	2,016,364
Total Employee Expenses	6,579,166	2,313,696

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Note 3A: Employee Expenses (cont'd)

In the comparative figures for the year ended 31 December 2015 employee expenses for the period 1/1/15 - 30/6/15 relate to the cost of staff provided by the Queensland Independent Education Union (QIEU). These costs were reimbursed by the Branch as they were incurred. From 1/7/15 staff of QIEU were administratively transferred to IEUA - QNT Branch. Refer Note 9A.

	2016	2015
	\$	\$
Note 3B: Capitation Fees		
Independent Education Union of Australia	<u>271,621</u>	<u>249,105</u>

Note 3C: Affiliation Fees

Independent Education Union of Australia - ACTU Affiliation	94,976	59,193
NT Trades & Labour Council	<u>3,197</u>	<u>1,601</u>
	<u>98,173</u>	<u>60,794</u>

Note 3D: Administration Expenses

Consideration to Employers for Payroll Deductions	10186	3658
Compulsory Levies:		
Independent Education Union of Australia - IR Levy	-	31,918
Travel & Allowances - Meeting and Conferences	88,683	45,837
Conference and Meeting Expenses	40,680	6,840
Property Expenses	658,818	205,686
Office Expenses	404,647	213,583
Operating Lease Rentals	116,702	5,352
Information Communications Technology	378,525	105,528
Other	<u>525,539</u>	<u>268,160</u>
Total Administration Expenses	<u>2,223,780</u>	<u>886,562</u>

Note 3E: Grants or Donations

Grants:

Total paid that were \$1,000 or less	-	1,000
Total paid that exceeded \$1,000	<u>6,000</u>	<u>6,000</u>
	<u>6,000</u>	<u>7,000</u>

Donations:

Total paid that were \$1,000 or less	4,353	1,350
Total paid that exceeded \$1,000	<u>22,000</u>	<u>-</u>
	<u>26,353</u>	<u>1,350</u>
Total Grants and Donations	<u>32,353</u>	<u>8,350</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
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**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
Note 3F: Depreciation and Amortisation		
Depreciation		
Office Furniture, Equipment and Vehicles	54,609	14,764
Total Depreciation	<u>54,609</u>	<u>14,764</u>
Note 3G: Legal Costs		
Litigation	168,207	2,397
Other Legal Matters	48,516	21,311
Total Legal Costs	<u>216,723</u>	<u>23,708</u>
Note 3H: Other Expenses		
Penalties - via RO Act or RO Regulations	-	-
Branch Expenditure	32,180	10,199
Bursary and Sponsorship	16,340	7,383
Industrial Campaign Expenditure	90,697	108,318
Membership Monitoring	20,000	5,000
Shanghai Relationship	7,465	3,129
Building Union Strength	95,587	59,824
Research	2,853	1,305
Total Other Expenses	<u>265,122</u>	<u>195,158</u>
NOTE 4 CURRENT ASSETS		
Note 4A: Cash and Cash Equivalents		
Cash at Bank	1,886,645	1,433,258
Cash on Hand	-	-
Short Term Deposits	1,800,000	800,000
Other	-	-
Total Cash and Cash Equivalents	<u>3,686,645</u>	<u>2,233,258</u>
Note 4B: Trade and Other Receivables		
Receivables from Other Reporting Units:		
Independent Education Union of Australia	796	932
Less Provision for Doubtful Debts	-	-
Receivable from Other Reporting Units (net)	<u>796</u>	<u>932</u>
Other Receivables		
Membership Subscriptions	11,169	424
Other Trade Receivables - Queensland Independent Education Union	501,946	1,989,509
- Other	41,465	-
Total Other Receivables	<u>554,580</u>	<u>1,989,933</u>
Total Trade and Other Receivables (Net)	<u>555,376</u>	<u>1,990,865</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	2016	2015
	\$	\$
Note 4C: Other Current Assets		
Prepayments	198,330	181,895
Total Other Current Assets	<u>198,330</u>	<u>181,895</u>

NOTE 5 NON-CURRENT ASSETS

Office Furniture, Equipment and Vehicles

At Cost	342,100	211,978
Accumulated Depreciation	<u>72,549</u>	<u>17,940</u>
Total Plant and Equipment	<u>269,551</u>	<u>194,038</u>

Reconciliation of the Opening and Closing Balances of Office Furniture, Equipment and Vehicles

As at 1 January

Gross Book Value	211,978	4,975
Accumulated Depreciation and Impairment	<u>17,940</u>	<u>3,176</u>
Net Book Value 1 January	<u>194,038</u>	<u>1,799</u>

Additions:

By Purchase	139,066	207,003
Depreciation Expense	<u>(54,609)</u>	<u>(14,764)</u>
Net Book Value 31 December	<u>278,495</u>	<u>194,038</u>

Net Book Value as of 31 December represented by:

Gross Book Value	351,044	211,978
Accumulated Depreciation and Impairment	<u>(72,549)</u>	<u>(17,940)</u>
Net Book Value 31 December	<u>278,495</u>	<u>194,038</u>

NOTE 6 CURRENT LIABILITIES

Note 6A: Trade Payables

Trade Creditors and Accruals	213,588	314,207
	<u>213,588</u>	<u>314,207</u>
Payables to Other Reporting Units	-	-
Total Trade Payables	<u>213,588</u>	<u>314,207</u>

Settlement is usually made within 30 days

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Note	2016	2015
Note 6B: Other Payables	\$	\$
Consideration to Employers for Payroll Deductions	532	34
Legal Costs	-	-
Subscription in Advance	1,230,020	1,259,923
GST Payable	240,490	271,363
Other - Queensland Independent Education Union	2,726	58,157
Total Other Payables	<u>1,473,768</u>	<u>1,589,477</u>

Total Other Payables are expected to be settled in:

No more than 12 months	1,473,768	1,589,477
More than 12 months	-	-
Total Other Payables	<u>1,473,768</u>	<u>1,589,477</u>

NOTE 7 EMPLOYEE PROVISIONS

Office Holders:	1.7		
Annual Leave		372,809	316,286
Long Service Leave		255,565	211,812
		<u>628,374</u>	<u>528,098</u>
Employees other than Office Holders:	1.7		
Annual Leave		531,588	462,392
Long Service Leave		710,455	632,975
		<u>1,242,043</u>	<u>1,095,367</u>
		<u>1,870,417</u>	<u>1,623,465</u>
Current		943,746	789,827
Non Current		926,671	833,638
		<u>1,870,417</u>	<u>1,623,465</u>

NOTE 8 CASH FLOW

Note 8A: 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	3,686,648	2,233,258
Balance Sheet	3,686,648	2,233,258
Difference	<u>-</u>	<u>-</u>

**Reconciliation of Surplus for Year to Net Cash
from Operating Activities:**

Surplus/(Deficit) for the Year	88,169	30,503
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Adjustments for Non-Cash Items

Depreciation/Amortisation	54,609	14,764
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**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

Note 8A: Cash Flow Reconciliation (cont'd)	2016	2015
	\$	\$
Changes in Assets/Liabilities		
(Increase)/Decrease in Net Receivables	1,435,489	(1,979,021)
(Increase)/Decrease in Prepayments	(16,435)	(179,473)
Increase/(Decrease) in Trade Payables	(98,242)	307,054
Increase/(Decrease) in Other Payables	(118,086)	1,559,603
Increase/(Decrease) in Employee Provisions	246,952	1,623,465
Net Cash from (used by) Operating Activities	<u>1,592,456</u>	<u>1,378,910</u>

Note 8B: Cash Flow Information

Cash Inflows		
Queensland Independent Education Union	1,490,111	1,817,570
Independent Education Union of Australia	7,454	
Total Cash Inflows	<u>1,497,565</u>	<u>1,817,570</u>
Cash Outflows		
Queensland Independent Education Union	759,786	384,081
Independent Education Union of Australia	403,256	374,239
NSW/ACT Independent Education Union	-	33,261
Total Cash Outflows	<u>1,163,042</u>	<u>791,581</u>

NOTE 9A RELATED PARTY DISCLOSURES

- (i) Under the Rules of the Independent Education Union of Australia, QIEU is an Associated Body. Rule 7(e) provides for the payment of an approved amount by an Associated Body to the union or branch of the union designated by the Federal Council or Federal Executive. This is calculated by reference to the total number of members of the Associated Body who have applied for membership of the union in the Branch designated by the Federal Council or Federal Executive.

The Queensland Independent Education Union (QIEU) also provided staff and administrative services to the Independent Education Union - Queensland & Northern Territory Branch for the period 1/1/15 - 30/6/15. A collaborative relationship exists between QIEU and IEUA and it is noted and endorsed at Branch executive that QIEU provides staffing and other support to members of the Queensland and Northern Territory Division at an appropriate and agreed cost to the IEUA - QNT.

The councillors and the executive of the Queensland Independent Education Union are all members of the Independent Education Union - Queensland and Northern Territory Branch, Branch Executive and Management Committee respectively.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 9A RELATED PARTY DISCLOSURES (Cont'd)

- (ii) During the year ended 31 December 2015 QIEU Council and IEUA-QNT Branch Executive determined that the industrial operations of the Queensland Independent Education Union (QIEU) should transition to the federally registered Branch of the Independent Education Union of Australia – Queensland and the Northern Territory Branch (IEUA-QNT) prior to the Fair Work Commission's withdrawal of transitional recognition provisions on 1 January 2017. As a consequence, staff of QIEU were administratively transferred to IEUA-QNT effective 1 July 2015 and membership fees became payable to IEUA-QNT from 1 September 2015. This operational change was effected at that time to enable an orderly and efficient transition of services and financial management prior to the legislated end of transitional recognition of QIEU.

This transition necessitated the transfer of certain income and expenditure from QIEU to IEUA-QNT. To this end the following financial transactions should be noted:

- On 1 July 2015 QIEU transferred employee liabilities of \$1,517,307.67 to IEUA-QNT together with a cash payment of \$1,517,307.67 for those liabilities.
- QIEU acknowledged a liability to IEUA-QNT of \$1,129,378.39 for employee salaries, wages and other expenses for the period 1 July 2015 to 31 August 2015 to be settled post balance date. An amount of \$501,946 remains owing at 31 December 2016.
- QIEU acknowledged a liability to IEUA-QNT of \$860,130.91 representing prepaid and unearned membership revenue covering fees applicable for the period 1 September 2015 to 31 December 2015. This was settled on the 7 March 2016.

NOTE 9B: RELATED PARTY TRANSACTIONS FOR THE REPORTING PERIOD

In addition to disclosures outlined in Note 9A the following table provides details of transactions that have been entered into with related parties for the relevant year.

	2016	2015
	\$	\$
Queensland Independent Education Union		
Revenue		
Affiliation Fees	-	266,900
Employee Expenses		
Other Employees:		
- Salaries	-	49,873
- Superannuation	-	5,985
- Leave and Other Entitlements	-	-
- Other Employee Expenses	-	-
Property Expenses	570,668	194,764
Office Expenses	-	27,045
Administration Expenses	-	71,497

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 9B: RELATED PARTY TRANSACTIONS FOR THE REPORTING PERIOD (Cont'd)	2016 \$	2015 \$
Amounts Owed By		
Other Trade Receivables	501,946	1,989,509
Amounts Owed To		
Other Payables	2,726	58,157
Independent Education Union of Australia Expenses:		
Affiliation - ACTU	94,976	59,193
Capitation Fee	271,621	249,105
IR Levy	-	31,918
Revenue:		
Payroll Tax Contribution	7,500	-

Terms and Conditions of Transactions with Related Parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances for sales and purchases at the year end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 December 2016, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2015: \$Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

NOTE 10: REMUNERATION OF AUDITORS

Value of the Services Provided		
Financial Statement Audit Services	7,000	6,000
Other Services	-	-
Total Remuneration of Auditors	<u>7,000</u>	<u>6,000</u>

NOTE 11 FINANCIAL RISK MANAGEMENT

(a) General Objectives, Policies and Processes

The Branch is exposed to risks that arise from its use of financial instruments. This note describes the Branch's objectives, policies and processes for managing those risks and the methods used to measure them.

There have been no substantive changes in the Branch's exposure to financial instrument risk, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

The Branch's financial instruments consist mainly of deposits with banks and receivables. The main risks the Branch is exposed to through its financial instruments are interest rate risk (see section (e) below), liquidity risk and credit risk.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 11 FINANCIAL RISK MANAGEMENT (CONT'D)

The Committee of Management has overall responsibility for the determination of the Branch's risk management objectives and policies.

(b) Credit Risk

Credit risk is the risk that the other party to a financial instrument will fail to discharge their obligation resulting in the Branch incurring a financial loss. This usually occurs when debtors fail to settle their obligations owing to the Branch.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provision for doubtful debts, as disclosed below:-

	2016	2015
	\$	\$
Cash and Cash Equivalents	<u>3,686,645</u>	<u>2,233,258</u>
The cash and cash equivalents are held in a high quality Australian financial institution.		
Trade & Other Receivables	<u>555,376</u>	<u>1,990,865</u>
Total receivables	<u>555,376</u>	<u>1,990,865</u>

There has been no history of default and all receivables are expected to be repaid within the arranged terms.

(c) Liquidity Risk

Liquidity risk is the risk that the Branch may encounter difficulties raising funds to meet commitments associated with financial instruments. The Branch is not significantly exposed to this risk; as at 31 December 2016 \$3,686,645 of cash and cash equivalents were held to meet these obligations as they fall due. Financial liabilities at 31 December 2016 totalled \$1,687,356. The Branch manages liquidity risk by monitoring cash flows.

(d) Market Risk

Market risk arises from the use of interest bearing, tradable financial instruments. It is the risk that the fair value or future cashflows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk) or other market factors (other price risk).

(e) (i) Interest Rate Risk

The Branch's exposure to interest rate risk, which is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates and the effective weighted average interest rates on those financial assets and liabilities are summarised below:

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 11 FINANCIAL RISK MANAGEMENT (CONT'D)

(e) (i) Interest Rate Risk (Cont'd)

31 December 2016	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Financial Assets			
Cash and cash equivalents	3,696,648	-	3,696,648
Receivables	-	555,376	555,376
	<u>3,696,648</u>	<u>555,376</u>	<u>4,252,024</u>
Weighted average interest rate	1.41%		
Financial Liabilities			
Payables	-	1,687,356	1,687,356
	<u>-</u>	<u>1,687,356</u>	<u>1,687,356</u>
Net Financial Assets (Liabilities)	<u>3,696,648</u>	<u>(1,131,980)</u>	<u>2,564,668</u>
31 December 2015	Floating Interest Rate \$	Non Interest Bearing \$	Total \$
Financial Assets			
Cash and cash equivalents	1,433,258	-	1,433,258
Receivables	-	1,990,865	1,990,865
	<u>1,433,258</u>	<u>1,990,865</u>	<u>3,424,123</u>
Weighted average interest rate	.005%		
Financial Liabilities			
Payables	-	1,903,684	1,903,684
	<u>-</u>	<u>1,903,684</u>	<u>1,903,684</u>
Net Financial Assets (Liabilities)	<u>1,433,258</u>	<u>87,181</u>	<u>1,520,439</u>
Sensitivity Analysis	Carrying Amount	+50% (50 basis points) Profit	-50% (50 basis points) Loss
2016	\$	\$	\$
Cash Assets	<u>3,696,648</u>	<u>25,876</u>	<u>25,876</u>
2015			
Cash Assets	<u>1,433,258</u>	<u>3,580</u>	<u>3,580</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

NOTE 11 FINANCIAL RISK MANAGEMENT (CONT'D)

(ii) Other Price Risks

The Branch does not invest in shares or derivatives therefore it does not expose itself to the fluctuations in price that are inherent in such a market.

(iii) Foreign Exchange Risk

The Branch is not directly exposed to foreign exchange rate risk.

NOTE 12 GOING CONCERN

These financial statements are prepared on a going concern basis. During the financial year the branch has not relied upon the financial support of another reporting unit nor has it provided financial support to another reporting unit.

NOTE 13 KEY MANAGEMENT PERSONNEL REMUNERATION

	2016	2015
	\$	\$
Salary	581,030	210,962
Leave and other Entitlements	142,173	39,223
Superannuation	88,964	29,052
Other	58,912	18,095
Total	<u>871,079</u>	<u>297,332</u>

NOTE 14 OPERATING LEASE COMMITMENTS - AS LESSEE

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

	2016	2015
Within one year	514,319	16,056
After one year but not more than five years	526,040	66,900

NOTE 15 OTHER ACQUISITIONS OF ASSETS OR LIABILITIES

During the financial year the Branch has not acquired an asset or liability as a result of:-

- (a) An amalgamation under Part 2 of Chapter 3 of the RO Act.
- (b) A restructure of branches of the organisation.
- (c) A determination by the General Manager under subsection 245(1) of the RO Act of an alternative reporting structure for the organisation.
- (d) A revocation by the General Manager under subsection 249(1) of the RO Act of a certificate issued to an organisation under subsection 245 (1).
- (e) A business combination.

NOTE 16 SUBSEQUENT EVENTS

There are no subsequent events that have occurred or are likely to occur that require disclosure.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

**NOTE 17 INFORMATION TO BE PROVIDED TO MEMBERS OR THE GENERAL MANAGER OF
FAIR WORK AUSTRALIA**

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of Section 272 of Fair Work (Registered Organisations) Act 2009 which read as follows:-

- 1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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).

NOTE 18 CONTINGENT LIABILITIES, ASSETS AND COMMITMENTS

There were no contingent liabilities, assets or commitments at 31 December 2016.

NOTE 19 ADDITIONAL BRANCH INFORMATION

The registered office of the Branch is situated at:

346 Turbot Street
SPRING HILL QLD 4000

The Divisional Office of the Branch is situated at:

38 Wood Street
DARWIN NT 0800

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

INDEPENDENT AUDIT REPORT

To the members of the Independent Education Union of Australia Queensland and Northern Territory Branch.

We have audited the general purpose financial report of the Independent Education Union of Australia Queensland and Northern Territory Branch, which comprises the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the year then ended, a summary of significant accounting policies and other explanatory notes and branch committee of management's statement for the year then ended.

Branch Committee of Management and the Branch Secretary's Responsibility for the Financial Report

The branch committee of management and the branch secretary of the Branch are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the Fair Work (Registered Organisations) Act 2009. This responsibility also includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the branch committee of management and branch secretary, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA
QUEENSLAND AND NORTHERN TERRITORY BRANCH**

INDEPENDENT AUDIT REPORT

Independence

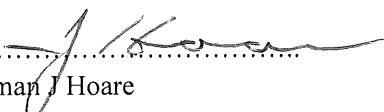
In conducting our audit, we have complied with the independence requirements of the Australian professional accounting bodies and the Fair Work (Registered Organisations) Act 2009.

Audit Opinion

In our opinion, the financial report presents fairly, in all material respects, the financial position of the Independent Education Union of Australia Queensland and Northern Territory Branch as at 31 December 2016, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

As part of our audit of the financial statements we have concluded that Management's use of the going concern basis of accounting in the preparation of the financial statements for the year ended 31 December 2016 is appropriate.

MORRIS & BATZLOFF
Chartered Accountants

.....
Norman J Hoare
Partner

Registered Company Auditor
Member of Institute of Chartered Accountants in Australia
and Holder of Current Public Practice Certificate

96 Lytton Road
EAST BRISBANE QLD 4169

30th May 2017