

**INDEPENDENT EDUCATION UNION  
OF AUSTRALIA**

*General Purpose Financial Report  
For The Year Ended 31 December 2013*

# INDEPENDENT EDUCATION UNION OF AUSTRALIA

## FEDERAL EXECUTIVE'S STATEMENT (COMMITTEE OF MANAGEMENT STATEMENT)

*for the period ended 31 December 2013*

On the 10/09/2014 the Federal Executive of the Independent Education Union of Australia passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 31<sup>st</sup> December 2013:

The Federal Executive declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - (iv) where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (vi) No orders where made 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) There were no recovery of wages activities during the financial year.

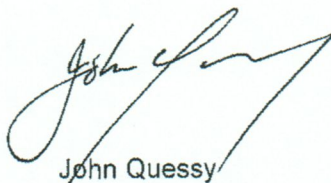
This declaration is made in accordance with a resolution of the Federal Executive.

Signature:

For Federal Executive:

Title of office held:

Dated:



John Quessy

Federal President

10 September 2014



Chris Watt

Federal Secretary

// September 2014

# **INDEPENDENT EDUCATION UNION OF AUSTRALIA**

## **OPERATING REPORT**

*for the period ended 31<sup>st</sup> December 2013*

The committee presents its report on the reporting unit for the financial year ended 31<sup>st</sup> December 2013.

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

#### **Principal Activities**

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

#### **Results of these Activities**

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

### **Significant Changes in the Nature of these Activities**

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

### **Significant changes in financial affairs**

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

### **Right of members to resign**

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

#### **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 ceases 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 member;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.

**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 Vice President, Secretary IEUA VicTas Branch – Director of Catholic Superannuation Fund                                  |
| Cathy Hickey        | Federal Council member - Director NGS Super Fund   |
| John Connors        | Member Victoria Tasmania IEUA Branch – Director Catholic Superannuation Fund   |
| Terry Burke         | 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       | Organiser IEUA QNT Branch – Alternate Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super                                |
| Greg McGhie         | Organiser IEUA QNT Branch – Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super  |
| Glen Seidel         | Federal Executive member, Secretary IEU(SA) Branch – Director NGS Super Fund   |
| Gloria Taylor       | Federal Executive member, Deputy Secretary IEUA NSWACT Branch – Director NGS Super Fund  |
| John Quessy         | Federal Executive member, Secretary IEUA NSWACT Branch – Director NGS Super Fund   |
| Richard Shearman    | Federal President – Director NGS Super Fund  |
| Christine Wilkinson | President IEUA NSWACT Branch –Director NGS Super Fund  |
| Theresa Howe        | Secretary IEUA WA Branch – Director Concept One The Industry Superannuation Fund   |
| Angela Briant       | Assistant Secretary IEUA VicTas Branch – Director TasPlan Superannuation Fund  |
| Bernadette Baker    | Federal Council member, teacher – Director Australian Catholic Superannuation Retirement Fund                                    |
| Paul Dolan          | Member IEUA NSWACT Branch - Director Australian Catholic Superannuation Retirement Fund  |
| Helen Spry          | Member IEUA NSWACT Branch – Alternate Director NGS Super Fund  |
| Kevin Phillips      | Organiser IEUA NSWACT Branch –Director NGS Super Fund (until 30 Jan 2013)  |

**Number of members**

There were 75,575 members on the register of members on 31<sup>st</sup> December 2013

**Number of employees**

As at 31 December 2013 the number of employees employed on a full-time equivalent basis was 3.6 FTE

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

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

|                  |                             |           |
|------------------|-----------------------------|-----------|
| Chris Watt       | Federal Secretary           | 12 months |
| Christine Cooper | Assistant Federal Secretary | 12 months |
| Anthony Odgers   | Assistant Federal Secretary | 12 months |
| Dick Shearman    | President                   | 12 months |
| Terry Burke      | Deputy President            | 12 months |
| Deb James        | Vice President              | 12 months |
| Glen Seidel      | Vice President              | 12 months |
| Theresa Howe     | Delegate                    | 12 months |
| Lyn Tunbridge    | Delegate                    | 12 months |
| John Quessy      | Delegate                    | 12 months |

**Officers & employees who are directors of a company or a member of a board**

|                  |   |
|------------------|---|
| Christine Cooper | Director Teachers Union Health Fund Ltd<br>Principal activity: Health Insurance<br>The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.  |
| Theresa Howe     | Director Employment Law Centre of WA Inc<br>Principal activity: Legal services<br>The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.<br>Director Community Services Health and Education Training Council Inc<br>Principal activity: Advice to Ministers on workforce requirements and industry qualifications |

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Terry Burke

Director The Private Capital Group Pty Ltd.

Principal activity: Infrastructure Investment

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Director Teachers Union Health Fund Ltd

Principal activity: Health Insurance

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Director TIF International 1 Pty Ltd.

Principal activity: Infrastructure Investment

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Glen Seidel

Director NGS Financial Services and NGS Financial Planning.

Principal activity: Financial advice

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Dick Shearman

Director NGS Financial Services

Principal Activity: Financial advice

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Loretta Cotter

Director Teacher Learning Network

Principal Activity: Teacher professional development

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.



Deb James

Director Teacher Learning Network

Principal Activity: Teacher professional development

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Angela Briant

Director Tasmanian Growth and Development Fund Pty Ltd

Principal Activity: Financial Investments

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Director The Children's Book Council of Australia

Principal Activity: Promoting children's literature

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

Director Lu Rees Archives of Australian Children's Literature Inc

Principal Activity: enhance appreciation of Australian children's literature

The officer does not hold the position because they are an officer or employee of the reporting unit or were nominated for the position by the reporting unit or by a peak council.

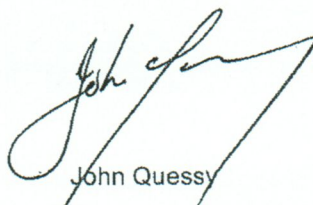
The Operating Report for the period ended 31<sup>st</sup> December 2013 was prepared by Chris Watt, Federal Secretary

Signature:

For Federal Executive:

Title of office held:

Dated:



John Quessy

Federal President

10 September 2014



Chris Watt

Federal Secretary

11 September 2014

# INDEPENDENT EDUCATION UNION OF AUSTRALIA

## BALANCE SHEET AS AT 31 DECEMBER 2013

| 2012<br>\$            |  | Notes | 2013<br>\$            |
|-----------------------|--|-------|-----------------------|
|                       | <b>Current Assets</b>                            |       |                       |
| 200                   | Cash on Hand                                     |       | 104                   |
| 348,442               | Cash at Bank                                     |       | 254,775               |
| 2,792                 | Business Investment Account                      |       | 103,827               |
| 58,260                | Amounts owing from other related Reporting Unit: | 11(b) | 142,877               |
| <u>409,694</u>        | <b>Total current assets</b>                      |       | <u>501,583</u>        |
|                       | <b>Non Current Assets</b>                        |       |                       |
| 21,624                | Furniture & Equipment at cost                    | 3     | 21,624                |
| (12,763)              | Less: Accumulated depreciation                   |       | (15,481)              |
| <u>8,861</u>          | <b>Total Non Current Assets</b>                  |       | <u>6,143</u>          |
| <u><b>418,554</b></u> | <b>Total Assets</b>                              |       | <u><b>507,726</b></u> |
|                       | <b>Current Liabilities</b>                       |       |                       |
| 19,069                | Accrued Expenses & Creditors                     |       | 49,906                |
| 77,292                | Provision for Annual Leave - Officers            | 5     | 62,106                |
| 154,157               | Provision for Long Service Leave - Officers      | 5     | 173,570               |
| 16,851                | GST Payable                                      |       | 23,737                |
| <u>267,369</u>        | <b>Total current liabilities</b>                 |       | <u>309,319</u>        |
| <u>-</u>              | <b>Non Current Liabilities</b>                   |       | <u>-</u>              |
| <u><b>267,369</b></u> | <b>Total Liabilities</b>                         |       | <u><b>309,319</b></u> |
| <u><b>151,185</b></u> | <b>Net Assets</b>                                |       | <u><b>198,407</b></u> |
|                       | <b>Represented by:</b>                           |       |                       |
|                       | <b>Members Funds</b>                             |       |                       |
| (25,921)              | Balance at beginning of Year                     |       | 151,185               |
| 177,106               | Surplus(Deficit) for the Year                    |       | 47,222                |
| <u><b>151,185</b></u> | <b>Balance at End of Year</b>                    |       | <u><b>198,407</b></u> |

*These financial statements should be read in conjunction with the attached notes.*

# INDEPENDENT EDUCATION UNION OF AUSTRALIA

## INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2013

| 2012             |                |  |       |                | 2013             |
|------------------|----------------|--|-------|----------------|------------------|
| \$               | \$             |  | Notes | \$             | \$               |
|                  |                | <b>INCOME</b>                                |       |                |                  |
| 1,091,335        |                | Capitation Fees Received                     | 11(b) |                | 1,099,328        |
| -                |                | Levies Charged - ACTU                        | 11(b) |                | 386,058          |
| 7,599            |                | Interest Received & Other Income             |       |                | 1,063            |
| <u>1,098,934</u> |                | <b>Total Income</b>                          |       |                | <u>1,486,449</u> |
|                  |                | <b>EXPENSES</b>                              |       |                |                  |
| -                |                | Affiliation Fees & Levies- ACTU              |       |                | 380,522          |
| 133,889          |                | - International                              |       |                | 139,424          |
| 1,210            |                | - Other                                      |       |                | 1,327            |
| 3,000            |                | Audit fees                                   |       |                | 3,000            |
|                  |                | Employment Costs                             | 9     |                |                  |
|                  | 440,690        | - Officers                                   |       | 448,481        |                  |
|                  | 39,743         | - Other                                      |       | 49,704         |                  |
|                  | 62,281         | - On Costs (incl Super) - Officers           |       | 57,522         |                  |
|                  | 5,120          | - On Costs (incl Super) Other                |       | 6,241          |                  |
|                  | 19,868         | - Leave provisions - Annual -Officers        |       | ( 15,186)      |                  |
|                  | 16,246         | - LSL - Officers                             |       | 19,413         |                  |
| 583,948          | <u>583,948</u> |  |       | <u>566,175</u> | 566,175          |
| 3,243            |                | Depreciation                                 |       |                | 2,718            |
| 2,655            |                | Donations - APHEDA                           |       |                | 10,000           |
| 34,169           |                | Office Rent & Associated Costs               |       |                | 37,474           |
| 18,826           |                | Communication Costs & Website Costs          |       |                | 24,299           |
| 104,461          |                | Conference, meeting & travel Costs           |       |                | 159,127          |
| 13,284           |                | Meeting costs - Executive/Council            |       |                | 22,337           |
| 16,631           |                | Administration/Other Costs                   |       |                | 32,551           |
| 6,513            |                | Campaigns & Project Costs                    |       |                | 60,273           |
| <u>921,828</u>   |                | <b>Total expenses</b>                        |       |                | <u>1,439,227</u> |
| <u>177,106</u>   |                | <b>Net Operating Surplus (Loss) for year</b> |       |                | <u>47,222</u>    |

*These financial statements should be read in conjunction with the attached notes.*

# INDEPENDENT EDUCATION UNION OF AUSTRALIA

## STATEMENT OF CASHFLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

| 2012                  |  | 2013                  |
|-----------------------|--|-----------------------|
| \$                    |  | \$                    |
|                       | <b>Cashflows from Operating Activities</b>       |                       |
| 7,500                 | Revenue from Operations                          | -                     |
| 1,486,858             | Inflows from Related Reporting Entities          | 1,401,380             |
| ( 1,405,379)          | Payments to Suppliers and Employees              | ( 1,395,173)          |
| 99                    | Interest Received                                | 1,063                 |
| <u>89,078</u>         | <b>Total Cashflows from Operating Activities</b> | <u>7,270</u>          |
|                       | Note 4 (b)                                       |                       |
|                       | <b>Cash Flows from Investing Activities</b>      |                       |
| <u>-</u>              | Purchase of Plant & Equipment                    | <u>-</u>              |
| -                     | Net Cash used in other activities                | -                     |
| 89,078                | Net Increase (Decrease) in Cash Held             | 7,270                 |
| 262,356               | Cash at beginning of year                        | 351,434               |
| <u><u>351,434</u></u> | <b>Cash at end of year</b>                       | <u><u>358,704</u></u> |
|                       | Note 4 (a)                                       |                       |

## STATEMENT IN CHANGE IN EQUITY

|                              | General<br>Account    | Indemnified by<br>Branches | Total                 |
|------------------------------|-----------------------|----------------------------|-----------------------|
| Balance at 31/12/11          | 218,504               | ( 218,504)                 | \$ 0                  |
| Surplus/Loss for Year - 2012 | <u>177,106</u>        | <u>( 25,921)</u>           | <u>151,185</u>        |
| Balance at 31/12/12          | 151,185               | -                          | 151,185               |
| Surplus for Year - 2013      | <u>47,222</u>         | <u>-</u>                   | <u>47,222</u>         |
| Balance at 31/12/13          | <u><u>198,407</u></u> | <u><u>-</u></u>            | <u><u>198,407</u></u> |

These financial statements should be read in conjunction with the attached notes.

# **INDEPENDENT EDUCATION UNION OF AUSTRALIA**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **Note 1 Summary of Significant Accounting Policies**

#### **1.1 Basis of Preparation of the Financial Statements**

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Independent Education Union of Australia is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities are 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 New Australian Accounting Standards**

##### **Adoption of New Australian Accounting Standard Requirements**

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

The accounting policies adopted are consistent with those of the previous financial year.

##### **Future Australian Accounting Standards Requirements**

New standards, amendments to standards or interpretations that were issued prior to the sign-off date and are applicable to the future reporting period that are not expected to have a future financial impact on Independent Education Union of Australia.

#### **1.3 Capitation fees and levies**

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

#### **1.4 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 due 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 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.

#### **1.5 Cash**

Cash is recognised at its nominal amount. Cash and cash equivalents included cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the consolidated statement of financial position.

# **INDEPENDENT EDUCATION UNION OF AUSTRALIA**

## **NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013**

### **1.6 Financial Instruments**

#### **Recognition**

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist.

Financial assets at fair value through profit and loss

A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Realised and unrealised gains and losses arising from changes in the fair value of these assets are included in the income statement in the period in which they arise.

Available-for-sale financial assets

Available-for-sale financial assets include any financial assets not included in the above categories. Available-for-sale financial assets are reflected at fair value. Unrealised gains and losses arising from changes in fair value are taken directly to equity.

#### **Financial Liabilities**

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

#### **Loans and Receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

#### **Held-to-maturity investments**

These investments have fixed maturities, and it is the group's intention to hold these investments to maturity. Any held-to-maturity investments held by the group are stated at amortised cost using the effective interest rate method.

#### **Impairment of Assets**

At each reporting date, the group assesses whether there is objective evidence that a financial instrument has been impaired. In the case of available-for-sale financial instruments, a prolonged decline in the value of the instrument is considered to determine whether an impairment has arisen. Impairment losses are recognised in the income statement.

# INDEPENDANT EDUCATION UNION OF AUSTRALIA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### 1.7 Land, Buildings, Plant and Equipment

#### Asset Recognition Threshold

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

#### Depreciation

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

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

|                     |           |
|---------------------|-----------|
| Plant and equipment | 3-5 years |
|---------------------|-----------|

### 1.8 Taxation

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

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

- where the amount of GST incurred is not recoverable from the Australian Taxation Office;
- and
- for receivables and payables.

# INDEPENDENT EDUCATION UNION OF AUSTRALIA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

### NOTE 2 - INFORMATION TO BE PROVIDED TO MEMBERS OR GENERAL MANAGER - FAIR WORK AUSTRALIA

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

- (1) A member of a reporting unit, or a General Manager 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, 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) The reporting unit must comply with an application made under subsection (1).

### NOTE 3 - PLANT & EQUIPMENT

|   | 2013<br>\$                  | 2012<br>\$       |
|---|-----------------------------|------------------|
| Furniture & Fittings @ Cost   | 9,546                       | 9,546            |
| Accumulated Depreciation  | 6,857                       | 6,067            |
|   | <u>2,689</u>                | <u>3,479</u>     |
| Office Equipment @ Cost   | 12,078                      | 12,078           |
| Accumulated Depreciation  | 8,624                       | 6,696            |
|   | <u>3,454</u>                | <u>5,382</u>     |
| Total of Net Plant & Equipment  | <u>6,143</u>                | <u>8,861</u>     |
| - movements in carrying amounts   |                             |                  |
| movement in the carrying amounts for each class of Plant & Equipment between the beginning and end of the current financial |                             |                  |
|   | Office Furniture & Fittings | Office Equipment |
| Beginning of year   | 3,479                       | 5,382            |
| Additions/disposals   | -                           | -                |
| Depreciation for year   | 790                         | 1,928            |
| Balance at End of Year  | <u>2,689</u>                | <u>3,454</u>     |

### NOTE 4 - CASH FLOW INFORMATION

|  |                |                |
|--|----------------|----------------|
| (a) Reconciliation of Cash                       | 2013<br>\$     | 2012<br>\$     |
| Cash on hand                                     | 102            | 200            |
| Cash at bank                                     | 358,602        | 351,234        |
|  | <u>358,704</u> | <u>351,434</u> |
| (b) Reconciliation of Cash Flows from Operations | 2013<br>\$     | 2012<br>\$     |
| Operating Surplus(Deficit) for Year              | 47,222         | 177,106        |
| Depreciation                                     | 2,718          | 3,243          |
| (Increase)Decrease in Prepayments/Debtors        | (84,617)       | ( 56,328)      |
| Increase (Decrease) in Creditors                 | 30,834         | ( 62,196)      |
| Increase (Decrease) in GST Payable               | 6,886          | ( 8,860)       |
| Increase (Decrease) in Provision for:            |                |                |
| - Annual Leave                                   | (15,186)       | 19,868         |
| - Long Service Leave                             | 19,413         | 16,246         |
|  | <u>7,270</u>   | <u>89,078</u>  |

### NOTE 5 - PROVISION FOR STAFF LEAVE ENTITLEMENTS

#### Current Liabilities Office Holder

|  |                |                |
|--|----------------|----------------|
| Provision for Annual Leave               | 62,106         | 77,292         |
| Provision for Long Service Leave         | 173,570        | 154,157        |
|  | <u>231,449</u> | <u>235,676</u> |
| Annual Leave Entitlements to Other Staff | -              | -              |
| LSL to Other Staff                       | -              | -              |
| Total Current Staff Entitlements         | <u>231,449</u> | <u>235,676</u> |



# INDEPENDENT EDUCATION UNION OF AUSTRALIA

## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

|   |                |                |
|---|----------------|----------------|
| <b>NOTE 6 Key Management Personnel Remuneration</b>   | <b>2013</b>    | <b>2012</b>    |
|   | <b>\$</b>      | <b>\$</b>      |
| Short - term employee benefits  |                |                |
| Salary (including annual leave taken)   | 448,481        | 440,690        |
| Annual leave accrued  | (15,186)       | 19,868         |
| Performance bonus   | -              | -              |
| <b>Total short-term employee benefits</b>   | <b>433,295</b> | <b>460,558</b> |
| <b>Post - employment benefits:</b>  |                |                |
| Superannuation  | 57,522         | 62,281         |
| <b>Total post - employment benefits</b>   | <b>57,522</b>  | <b>62,281</b>  |
| <b>Other long - term benefits</b>   |                |                |
| Long - service leave - Accrued  | 19,413         | 16,246         |
| <b>Total other long - term benefits</b>   | <b>19,413</b>  | <b>16,246</b>  |
| <b>Total Remuneration to Key Management Personnel</b>   | <b>510,230</b> | <b>539,085</b> |
| <b>NOTE 7 Transactions with key management personnel and their close family members</b>   |                |                |
| There were no loans or other transactions between the reporting entity & it's key management employee during the reporting period |                |                |
| <b>NOTE 8 Remuneration of Auditors</b>  | <b>2013</b>    | <b>2012</b>    |
|   | <b>\$</b>      | <b>\$</b>      |
| Values of the services provide  |                |                |
| Financial statement audit services  | 3,000          | 3,000          |
| Other services (FBT)  | -              | 300            |
| <b>Total remuneration of auditors</b>   | <b>3,000</b>   | <b>3,300</b>   |
| <b>NOTE 9 Employee Expenses</b>   |                |                |
| <b>Holders of Office</b>  |                |                |
| Wages & Salaries  | 417,280        | 414,014        |
| Leave payments made   | 31,201         | 26,676         |
| Superannuation  | 57,522         | 62,281         |
| Separation & other Employee expenses or provisions  | -              | -              |
| <b>Subtotal Office Holder Employee Expenses</b>   | <b>506,003</b> | <b>502,971</b> |
| <b>Employee other than office holders</b>   |                |                |
| Wages & Salaries  | 26,904         | 39,743         |
| Leave payments made   | 22,800         | -              |
| Superannuation  | 6,241          | 5,120          |
| Separation & other employee expenses/provisions   | -              | -              |
| <b>Subtotal of non office holder employee expenses</b>  | <b>55,945</b>  | <b>44,863</b>  |
| <b>Total Employee Expenses</b>  | <b>561,948</b> | <b>547,834</b> |

**INDEPENDENT EDUCATION UNION  
OF AUSTRALIA**

**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**Note 10 Financial Risk Management**

The Union's financial instruments consist mainly of deposits with banks, short and long-term investments, accounts receivable and accounts payable.

The main risks arising from the Union's financial instruments are liquidity risk, credit risk and market price risk. The Branch does not use derivative instruments to manage risks associated with its financial instruments.

The Union's Council have overall responsibility for risk management, including risks associated with financial instruments.

This note presents, information about the Union's exposure to liquidity, credit and market price risk, and its objectives, policies and processes for measuring and managing risk.

**Liquidity Risk**

Liquidity risk is the risk that the Union will not be able to fund its obligations as they fall due.

The following are the contractual maturities of financial assets and liabilities

| WITHIN 1 YEAR |      | 1 TO 5 YEARS |      | OVER 5 YEARS |      | TOTAL |      |
|---------------|------|--------------|------|--------------|------|-------|------|
| 2013          | 2012 | 2013         | 2012 | 2013         | 2012 | 2013  | 2012 |
| \$            | \$   | \$           | \$   | \$           | \$   | \$    | \$   |

**Financial Liabilities Due For Payment**

|  |        |        |   |   |   |   |   |        |
|--|--------|--------|---|---|---|---|---|--------|
| Trade & other payables<br>(including estimated<br>annual leave and<br>deferred income) | 49,906 | 19,064 | - | - | - | - | - | 68,970 |
| Total expected outflows  | 49,906 | 19,064 | - | - | - | - | - | 68,970 |

**Financial Assets - Cash Flows Realisable**

|  |         |         |   |   |   |   |   |         |
|--|---------|---------|---|---|---|---|---|---------|
| Cash and Cash<br>Equivalents           | 358,706 | 351,434 | - | - | - | - | - | 710,140 |
| Trade and other<br>receivables         | 142,877 | 58,260  | - | - | - | - | - | 201,137 |
| Total anticipated inflows              | 501,583 | 409,694 | - | - | - | - | - | 911,277 |
| Net inflow on financial<br>instruments | 451,677 | 390,630 |   |   |   |   |   | 842,307 |

**Credit Risk**

Credit risk is the risk of financial loss to the Union if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

**Exposure to Credit Risk**

The carrying amount of the Union's financial assets best represents its maximum credit risk exposure. The Union's maximum exposure to credit risk at the reporting date was:

|                           | 2013    | 2012    |
|---------------------------|---------|---------|
| Cash and cash equivalents | 358,706 | 351,434 |
| Trade debtors             | 142,877 | 58,260  |
| Other receivables         | -       | -       |

**INDEPENDENT EDUCATION UNION OF AUSTRALIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**Note 11(a) Related Party Transactions**

Transactions between related parties are on normal commercial terms and conditions unless otherwise stated.

Transactions with related parties - State Branches of the Independent Education Union

|                  | 2013   | 2012   |
|------------------|--------|--------|
|                  | \$     | \$     |
| - NSW/ACT - Rent | 36,381 | 37,880 |

- Income from State Branches - Cash Basis

| Branches  | Capitation fees | ACTU Levy |
|-----------|-----------------|-----------|
| - NSW/ACT | 437,364         | 120,339   |
| - S.A     | 50,459          | 13,995    |
| - TISTA   | 5,687           | 1,565     |

Reimbursement of Various Expenses from Branch's not included.

**Note 11(b) Capitation Fees Charged to Branches & Associated Entities ( Accrual basis)**

| Branches  | Capitation fees  | ACTU Levy      | Amounts Owing from Branches - 30/06/13 |
|-----------|------------------|----------------|--|
| - NSW/ACT | 437,364          | 153,592        | 56,600                                 |
| - VIC/TAS | 293,636          | 103,118        | 38,000                                 |
| - S.A     | 50,459           | 17,720         | 32,400                                 |
| - W.A     | 61,818           | 21,709         | 6,530                                  |
| - QLD/NT  | 250,364          | 87,922         | 8,000                                  |
| - TISTA   | 5,687            | 1,997          | 1,347                                  |
|           | <u>1,099,328</u> | <u>386,058</u> | <u>142,877</u>                         |

**Note 12**

|   | \$      | \$      |
|---|---------|---------|
| - Penalties -via RO Act or RO Regulations   | -       | -       |
| - Legal Costs   |         |         |
| ~ Litigation  | -       | -       |
| ~ Other - Special Projects/Equal Pay Case   | 19,027  | -       |
| - Grants or Donations Paid  |         |         |
| ~ Grants - APHEDA   | 10,000  | -       |
| ~ General Donations   | -       | -       |
| - Affiliation Fees  |         |         |
| ~ International Teacher Union   | 139,424 | 164,934 |
| ~ ACTU APHEDA   | 1,495   | 1,567   |
| - Accounts other than general funds held ( Investment Acc)  | 103,827 | 2,792   |
| - Consideration to Employers for payroll deductions   | -       | -       |
| - Entrance fees -Payment or received  | -       | -       |
| - Donations or grant income   | -       | -       |
| - Transfer/withdrawals from special purpose accounts  | -       | -       |
| - Fees or allowances paid to office - holders for attendance at meetings, ( other than their normal salary etc) |         |         |
| - Payables to - Other reporting Units   | -       | -       |
| - to employers (payroll)  | -       | -       |
| - Legal Costs   | -       | -       |
| - Separation/redundancy or other provisions for Office Hold   | -       | -       |
| - Separation/redundancy or other provisions for other staff   | -       | -       |

**INDEPENDENT EDUCATION UNION OF AUSTRALIA**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**Note 13      Other Disclosure Requirements**

- the purpose of compulsory levy to the ACTU was to support campaigns to protect members rights and entitlements.
  
- there are no agreed going concern financial support received or paid to another reporting unit
  
- there were no assets or liabilities acquired as a result of an amalgamation or restructure, or s245 certificate or s249 revocation.
  
- there have been no financial support from another reporting unit (other than reported in Note 10)
  
- There are no accounts or investments held in respect of compulsory levies or voluntary contributions (as none collected)
  
- There has been no administration of financial affairs by a third party.
  
- There were no business combinations and/or assets or liabilities acquired through any business combination

**Note 14      Contingent Liability**

There are no contingent liabilities outstanding at balance date.

**Note 15      Events after Balance Date**

There has not being any other material events between the balance date and the date of signing of the operating report.

# HOUSTON & HANNA

## CHARTERED ACCOUNTANT

**K D Hanna FCA (Principal)**

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### INDEPENDENT AUDIT REPORT TO THE MEMBERS OF THE INDEPENDANT EDUCATION UNION OF AUSTRALIA FOR THE YEAR ENDED 31 DECEMBER 2013

I have audited the general purpose financial report, comprising the Income Statement, Balance Sheet Statement of Change in Equity, Cashflow Statement, Committee of Management Statement and accompanying Notes of the Independent Education Union of Australia, in respect of the year ended 31 December 2013 and received all the information and explanations I required for the purposes of my audit.

#### **Scope**

The Executive Committee is responsible for the preparation and presentation of the financial reports and the information contained therein. I have conducted an independent audit of the financial reports in order to express an opinion on them to the members.

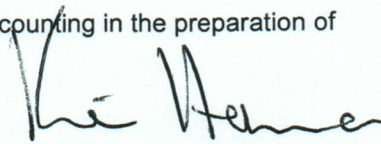
My audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance as to whether the financial statements are free of material misstatement. My procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial statements, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion as to whether, in all material respects, the financial statements are presented fairly in accordance with Australian Accounting Standards and Statutory requirements so as to present a view of the Independent Education Union of Australia which is consistent with my understanding of its financial position and the results of its operations.

The audit opinion expressed in this report has been formed on the above basis.

#### **Audit Opinion.**

In my opinion,

- (i) There were kept by the Organisation in respect of the year satisfactory accounting records detailing the sources and nature of the income of the Organisation (including income from members) and the nature and purpose of expenditure:
- (ii) The general purpose financial report is presented fairly in accordance with relevant Australian Accounting Standards and the requirements imposed the Fair Work (Registered Organisations) ACT 2009 ,
- (iii) That the branch has not being involved with recovery of wages activities during the year.
- (iv) That the management's use of the going concern basis of accounting in the preparation of the financial statement is appropriate.

  
.....  
**Kim Hanna FCA**  
**Registered Company Auditor (341)**

Date.....11/9/14.....