

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

ABN 19 845 840 893

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018

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INDEPENDENT EDUCATION UNION OF AUSTRALIA - QUEENSLAND AND NORTHERN TERRITORY BRANCH

COMMITTEE OF MANAGEMENT'S OPERATING REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

Operating Report

The Committee of Management presents its report on the operation of Independent Education Union of Australia – Queensland and Northern Territory Branch (the Branch) for the financial year ended 31 December 2018.

Principal Activities

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 have been no changes in the principal activities of the Branch during the year.

Operating Result

The Branch ended the 2018 year with a deficit of \$274,980 (2017 surplus: \$117,792).

Significant Changes in Financial Affairs

There were no significant changes to the financial affairs of the Branch during the year.

After Balance Date Events

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA - QUEENSLAND AND NORTHERN TERRITORY BRANCH

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Members Right 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.

Members of the Committee of Management

The name of each person who has been a member of the Committee of Management of the Branch at any time during the reporting period, and the period for which he or she held such a position is as follows:

Name	Position	Period
Queensland Division		
Andrew Elphinstone	Branch President	Full Year
Aleisha Connellan	Senior Vice-President (Queensland Division)	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
Bryce Goldberg	Branch Executive Member	Full Year
Lynette Byrnes	Branch Executive Member	Full Year
Christopher Chapman	Branch Executive Member	Full Year
Beverley Day	Branch Executive Member	01/01/18 – 11/09/18
Colin Grant	Branch Executive Member	Full Year
John Kennedy	Branch Executive Member	Full Year
Lea Martin	Branch Executive Member	Full Year
Andrew Street	Branch Executive Member	Full Year
Janine Colwell	Branch Executive Member	Full Year
Ian Hughes	Branch Executive Member	Full Year
Jennifer Finlay	Branch Executive Member	Full Year
Neridah Kaddatz	Branch Executive Member	Full Year
Karyl Young	Branch Executive Member	Full Year
Anthony Cooper	Branch Executive Member	Full Year
Peter de Waard	Branch Executive Member	Full Year
Cameron Love	Branch Executive Member	Full Year
Anthony Hallam	Branch Executive Member	Full Year
Erin Hawkins	Branch Executive Member	Full Year
Mick Muhling	Branch Executive Member	01/01/18 – 18/03/18
Melissa Roth	Branch Executive Member	Full Year
Melissa Goodingham	Branch Executive Member	18/03/18 – 31/12/18
John Brown	Branch Executive Member	Full Year
Anna Pickering	Branch Executive Member	Full Year
Luke Vanni	Branch Executive Member	18/03/18 – 31/12/18
Northern Territory Division		
Erica Schultz	Senior Vice-President (NT Division)	Full Year
Louise Lenzo	Branch Executive Member	Full Year
Sam Typuszak	Branch Executive Member	Full Year
Kieran Curnow	Branch Executive Member	Full Year

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

COMMITTEE OF MANAGEMENT'S OPERATING REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2018

Membership of the Branch

Total number of members as at 31 December 2018: 17,832 (2017: 18,203).

Employees of the Branch

The number of persons who were, at the end of the period to which the report relates, employees of the Branch, where the number of employees includes both full-time and part-time employees measured on a full-time equivalent basis is 53.3 (2017: 49.0).

Officers or Members who are Superannuation Fund Trustees/ Directors of a Company that is a Superannuation Fund Trustee

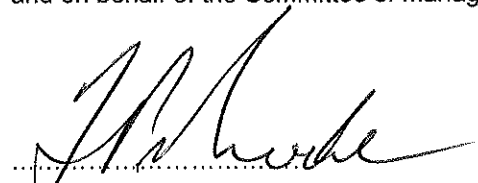
The following officers/members or employees of the organisation are Directors of companies that are trustees of superannuation funds where a criterion for the officer or member being the trustee or director is that the officer or member is an officer or member of a registered organisation:

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

Auditor's Independence Declaration

A copy of the auditor's independence declaration is set out on page 6.

This report is made in accordance with a resolution of the Committee of Management and is signed for and on behalf of the Committee of Management by:



Terence Burke

Branch Secretary

Brisbane
17 March 2019

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**AUDITOR'S INDEPENDENCE DECLARATION
TO THE COMMITTEE OF MANAGEMENT OF
INDEPENDENT EDUCATION UNION OF AUSTRALIA - QUEENSLAND AND NORTHERN
TERRITORY BRANCH**

As lead auditor for the audit of Independent Education Union of Australia – Queensland and Northern Territory Branch for the year ended 31 December 2018; I declare that, to the best of my knowledge and belief, there have been no contraventions of any applicable code of professional conduct in relation to the audit.

M.G.I

MGI Audit Pty Ltd



G I Kent

Director – Audit & Assurance

Brisbane

17 March 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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

**COMMITTEE OF MANAGEMENT STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018**

On 17 March 2019, the Committee of Management of the Branch passed the following resolution to the General Purpose Financial statements (GPFR) of the reporting unit for the financial year ended 31 December 2018.

The Committee of Management declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Branch 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 concerned; and
 - ii. the financial affairs of the Branch have been managed in accordance with the rules of the organisation;
 - iii. the financial records of the Branch have been kept and maintained in accordance with the *RO Act*;
 - 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 to each of the other reporting units of the organisation;
 - v. where information has been sought in any request of a member of the reporting unit or Commissioner duly made under section 272 of the RO Act, that information has been provided to the member or the Commissioner; and
 - vi. there have been no orders for inspection of financial records made by the Fair Work Commission under section 273 of the RO Act during the year.
- (f) No revenue has been derived from undertaking recovery of wages activity during the reporting year.

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

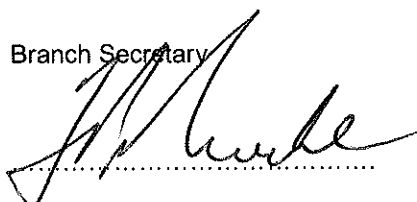
Name of Designated Officer: Terence Burke

Title of Designated Officer: Branch Secretary

Signature:

Date:

17 March 2019



Independent Audit Report to the Members of the Independent Education Union of Australia – Queensland and Northern Territory Branch

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of the Independent Education Union of Australia – Queensland and Northern Territory Branch (the Branch), which comprises the statement of financial position as at 31 December 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, notes to the financial statements, including a summary of significant accounting policies; the Committee of Management Statement, the subsection 255(2A) report and the Officer Declaration Statement.

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

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

We declare that management's use of the going concern basis in the preparation of the financial statements of the Branch is appropriate.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Branch in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

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

The Committee of Management is responsible for the other information. The other information obtained at the date of this auditor's report is in the Operating Report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

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

Responsibilities of Committee of Management for the Financial Report

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

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

Auditor's Responsibilities for the Audit of the Financial Report

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

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

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

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

Declaration

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

I declare that I am an approved auditor, a member of Chartered Accountants Australia and New Zealand and hold a current Public Practice Certificate.

I declare that I am an auditor registered under the RO Act.

M.G.I

MGI Audit Pty Ltd

A handwritten signature in black ink, appearing to read 'G I Kent', with a long horizontal stroke extending to the right.

G I Kent

Director – Audit & Assurance

Brisbane

17 March 2019

Registration number (as registered by the RO Commissioner under the RO Act): AA2017/2

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

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
Revenue			
Membership subscription		9,644,709	9,490,046
Interest income	3A	69,288	56,609
Other revenue	3B	175,319	186,760
Revenue for recovery of wages activities		-	-
Total revenue		9,889,316	9,733,415
Expenses			
Employee expenses	4A	(6,819,577)	(6,499,193)
Capitation fees	4B	(310,556)	(277,670)
Affiliation fees	4C	(102,264)	(101,050)
Administration expenses	4D	(2,382,427)	(2,215,486)
Depreciation	4E	(73,226)	(63,934)
Grants or donations	4F	(9,156)	(38,796)
Legal costs	4G	(290,927)	(215,861)
Audit fees	12	(17,500)	(19,500)
Other expenses	4H	(158,663)	(184,133)
Total expenses		(10,164,296)	(9,615,623)
(Deficit)/ surplus for the year		(274,980)	117,792
Other comprehensive income (net of income tax)		-	-
Total comprehensive income for the year		(274,980)	117,792

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

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

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018**

	Notes	2018 \$	2018 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5A	3,819,012	3,902,546
Trade and other receivables	5B	37,636	58,736
Other current assets	5C	227,854	230,557
Total current assets		4,084,502	4,191,839
Non-Current Assets			
Motor vehicles	6A	342,915	308,742
Office equipment	6B	8,939	11,176
Total non-current assets		351,854	319,918
Total assets		4,436,356	4,511,757
LIABILITIES			
Current Liabilities			
Trade payables	7A	177,086	237,712
Other payables	7B	1,282,990	1,057,679
Employee provisions	8A	2,226,752	2,186,611
Total current liabilities		3,686,828	3,482,002
Non-Current Liabilities			
Employee provisions	8A	51,984	57,231
Total non-current liabilities		51,984	57,231
Total liabilities		3,738,812	3,539,233
Net assets		697,544	972,524
EQUITY			
Retained earnings		697,544	972,524
Total equity		697,544	972,524

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

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

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	Retained earnings \$	Total equity \$
Balance as at 1 January 2017		854,732	854,732
Surplus for the year		117,792	117,792
Other comprehensive income		-	-
Closing balance as at 31 December 2017		972,524	972,524
Deficit for the year		(274,980)	(274,980)
Other comprehensive income		-	-
Closing balance as at 31 December 2018		697,544	697,544

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

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

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Notes	2018 \$	2017 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from other reporting units	9B	9,267	10,946
Receipts from related parties	9B	2,465	500,811
Receipts from members and other customers		11,026,034	10,253,228
Interest		82,767	43,130
		<u>11,120,533</u>	<u>10,808,115</u>
Cash used			
Employees and suppliers		(9,874,801)	(9,421,573)
Payments to other reporting units	9B	(566,815)	(413,072)
Payments to related parties	9B	(657,289)	(652,215)
		<u>(11,098,905)</u>	<u>(10,486,860)</u>
Net cash provided by operating activities		<u>21,628</u>	<u>321,255</u>
INVESTING ACTIVITIES			
Payments for property, plant and equipment		(105,162)	(105,357)
Net cash used in investing activities		<u>(105,162)</u>	<u>(105,357)</u>
FINANCING ACTIVITIES			
		-	-
Net increase in cash held		<u>(83,534)</u>	<u>215,898</u>
Cash & cash equivalents at the beginning of the reporting period		3,902,546	3,686,648
Cash & cash equivalents at the end of the reporting period	9A	<u>3,819,012</u>	<u>3,902,546</u>

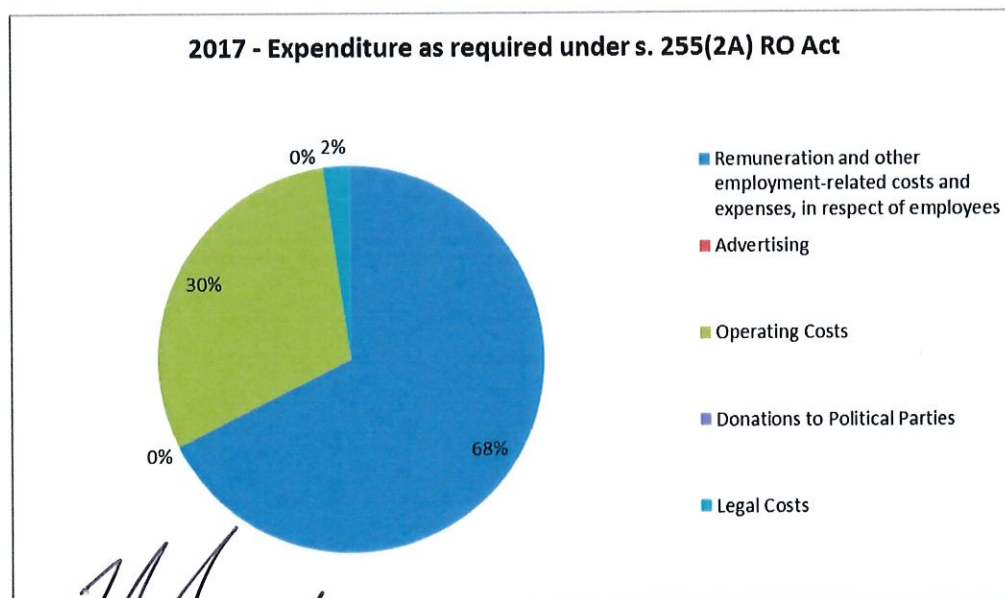
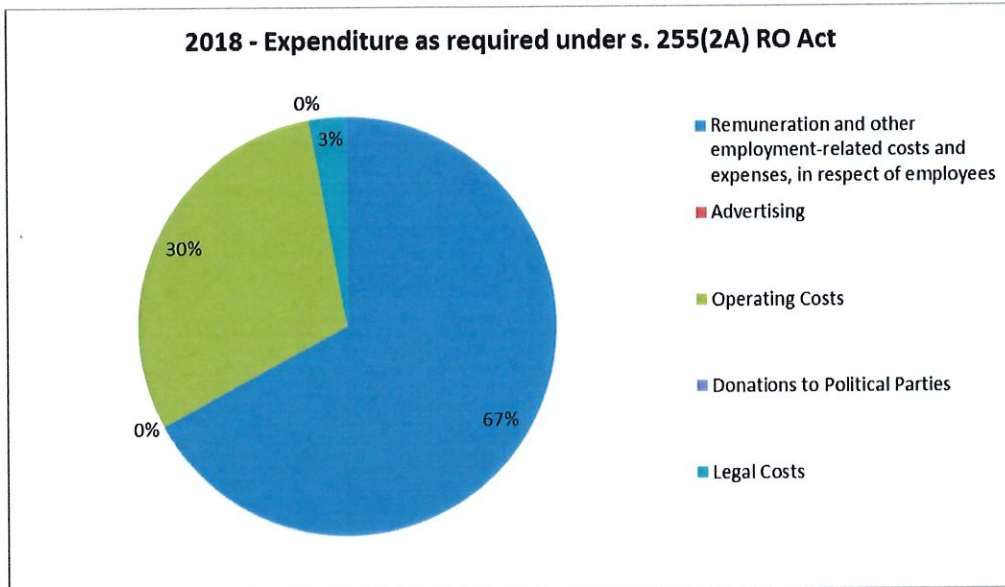
The above statement should be read in conjunction with the notes.

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

**REPORT REQUIRED UNDER SUBSECTION 225(2A) OF THE FAIR WORK (REGISTERED
ORGANISATIONS) ACT 2009**

FOR THE YEAR ENDED 31 DECEMBER 2018

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




Terence Burke

Branch Secretary

Brisbane
17 March 2019

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

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 (the Branch) is a not-for-profit entity.

The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

The following accounting assumptions or estimates have been identified that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

Key Estimates

Impairment – general

The Branch assesses impairment at each reporting period by evaluation of conditions and events specific to the Branch that may be indicative of impairment triggers. Recoverable amounts of relevant assets are assessed using value-in-use calculations which incorporate various key assumptions.

No impairment has been recognised in respect of the current year.

Key Judgements

Useful lives of plant and equipment

Plant and equipment are depreciated over the useful life of the asset and the depreciation rates are assessed when the asset are acquired or when there is a significant change that affects the remaining useful life of the asset.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.3 Significant accounting judgements and estimates (continued)

Key Judgements (continued)

Provision for impairment of receivables

The value of the provision for impairment of receivables is estimated by considering the ageing of receivables, communication with the debtors and prior history.

On-cost for employee entitlement provision

The Branch revised its estimate for on-costs for employee provision during the year to include superannuation, workers compensation and payroll tax.

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.

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 expected to have a future financial impact on the Branch include:

- AASB 16: Leases (applicable to annual reporting periods beginning on or after 1 January 2019)

Based on the entity's assessment, it is expected that the first-time adoption of AASB 16 for the year ending 31 December 2019 will have a material impact on the transactions and balances recognised in the financial statements, in particular:

- lease assets and financial liabilities on the balance sheet will both increase by \$517,944 (based on the facts at the date of the assessment).
- there will be a reduction in the reported equity as the carrying amount of lease assets will reduce more quickly than the carrying amount of lease liabilities.
- operating cash outflows will be lower and financing cash flows will be higher in the statement of cash flows as principal repayments on all lease liabilities will now be included in financing activities rather than operating activities. Interest can also be included within financing activities.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.4 New Australian Accounting Standards (Continued)

Future Australian Accounting Standards Requirements (continued)

- **AASB 1058 Income of Not-for-Profit Entities**

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, and the majority of income recognition requirements relating to public sector NFP entities, previously in AASB 1004 Contributions.

Under AASB 1058, the timing of income recognition depends on whether a NFP transaction gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners, related to an asset (such as cash or another asset) received by an entity.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. In the latter case, the entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 116 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- Contributions by owners;
- Revenue, or a contract liability arising from a contract with a customer;
- A lease liability;
- A financial instrument; or
- A provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

The entity is yet to undertake a detailed assessment of the impact of AASB 1058. However, based on the entity's preliminary assessment, the Standard is not expected to have a material impact on the transactions and balances recognised in the financial statements when it is first adopted for the year ending 31 December 2019.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

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.

Revenue from the sale of goods is recognised when, the risks and rewards of ownership have been transferred to the buyer, the entity retains no managerial involvement or effective control over the goods, the revenue and transaction costs incurred can be reliably measured, and it is probable that the economic benefits associated with the transaction will flow to the entity.

Donation income is recognised when it is received.

Receivables for goods and services, which have 30 day terms, are recognised at the nominal amounts due less any impairment allowance account. Collectability of debts is reviewed at end of the reporting period. Allowances are made when collectability of the debt is no longer probable.

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

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

1.6 Gains

Sale of assets

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

1.7 Capitation fees and levies

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.8 Employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 *Employee Benefits*) and termination benefits which are expected to be settled within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits which are expected to be settled beyond twelve months are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Provision is made for separation and redundancy benefit payments. The reporting unit recognises a provision for termination as part of a broader restructuring when it has developed a detailed formal plan for the terminations and has informed those employees affected that it will carry out the terminations. A provision for voluntary termination is recognised when the employee has accepted the offer of termination.

1.9 Leases

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

1.10 Cash

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.11 Financial instruments

Financial assets and financial liabilities are recognised when the Branch becomes a party to the contractual provisions of the instrument.

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

1.12 Financial assets

Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss, held-to-maturity investments, available-for-sale financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and derecognised upon trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Fair value through profit or loss

Financial assets are classified as at fair value through profit or loss when the financial asset is either held for trading or it is designated as at fair value through profit or loss.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the statement of comprehensive income.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (continued)

Held-to-maturity investments

Financial assets with fixed or determinable payments and fixed maturity dates that the reporting unit has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are measured at amortised cost using the effective interest method less any impairment.

Available-for-sale

Listed shares and listed redeemable notes held by the reporting unit that are traded in an active market are classified as available-for-sale and are stated at fair value. The reporting unit also has investments in unlisted shares that are not traded in an active market but that are also classified as available-for-sale financial assets and stated at fair value. Gains and losses arising from changes in fair value are recognised in other comprehensive income and accumulated in the investments revaluation reserve, with the exception of impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets, which are recognised in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the reporting unit right to receive the dividends is established. The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognised in profit or loss are determined based on the amortised cost of the monetary asset. Other foreign exchange gains and losses are recognised in other comprehensive income.

Loan and receivables

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest rate basis except for debt instruments other than those financial assets that are recognised at fair value through profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (continued)

Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the reporting units past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss in the period.

For financial assets measured at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. In respect of available-for-sale equity securities, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserve. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.12 Financial assets (continued)

Derecognition of financial assets

The Branch derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. The difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

1.13 Financial Liabilities

Financial liabilities are classified as either financial liabilities 'at fair value through profit or loss' or other financial liabilities. Financial liabilities are recognised and derecognised upon 'trade date'.

Fair value through profit or loss

Financial liabilities are classified as at fair value through profit or loss when the financial liability is either held for trading or it is designated as at fair value through profit or loss.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the reporting unit manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at fair value through profit or loss upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the reporting units documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and AASB 139 'Financial Instruments: Recognition and Measurement' permits the entire combined contract (asset or liability) to be designated as at fair value through profit or loss.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item in the statement of comprehensive income.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.13 Financial Liabilities (continued)

Other financial liabilities

Other financial liabilities, including borrowings and trade and other payables, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Branch derecognises financial liabilities when, and only when, the reporting units obligations are discharged, cancelled or they expire. The difference between the carrying amounts of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

1.14 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.

1.15 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.15 Plant and Equipment (continued)

Depreciation

Depreciable 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:

	2018	2017
Motor vehicles	5 years	5 years
Office equipment	5 years	5 years

Derecognition

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

1.16 Impairment of non-financial assets

All assets are assessed for impairment at the end of each reporting period to the extent that there is an impairment trigger. Where indications of impairment exist, the asset's recoverable amount is estimated and an impairment adjustment made if the asset's recoverable amount is less than its carrying amount.

The recoverable amount of an asset is the higher of its fair value less costs of disposal and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Branch were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

**INDEPENDENT EDUCATION UNION OF AUSTRALIA - QUEENSLAND AND NORTHERN
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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.17 Taxation

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

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

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

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

1.18 Fair value measurement

The Branch measures financial instruments, such as, financial asset as at fair value through the profit and loss, available for sale financial assets, and non-financial assets such as land and buildings and investment properties, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in Note 15.

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

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

The principal or the most advantageous market must be accessible by the Branch. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 1 Summary of significant accounting policies (Continued)

1.18 Fair value measurement (continued)

The Branch uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1—Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2—Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3—Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Branch determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as land and buildings and investment properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. For the purpose of fair value disclosures, the Branch has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

1.19 Going concern

The Branch is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

The Branch has not agreed to provide financial support to another reporting unit to ensure they can continue on a going concern basis.

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2018, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Branch.

	2018	2017
	\$	\$

Note 3 Income

Note 3A: Interest income

Interest income of deposits	69,288	56,609
Total interest	69,288	56,609

Note 3B: Other revenue

Board sitting fees	62,193	56,689
Sponsorship income	27,273	45,273
Other income	85,853	84,798
	175,319	186,760

Note 4 Expenses

Note 4A: Employee expenses

Holders of office:

Wages and salaries	625,313	695,601
Superannuation	75,038	83,472
Leave and other entitlements	112,299	111,698
Separation and redundancies	-	-
Other employee expenses	48,430	50,781
Subtotal employee expenses holders of office	861,080	941,552

Employees other than office holders:

Wages and salaries	4,240,227	3,911,193
Superannuation	660,249	630,374
Leave and other entitlements	538,506	566,192
Separation and redundancies	44,085	-
Other employee expenses	475,430	449,882
Subtotal employee expenses employees other than office holders	5,958,497	5,557,641
Total employee expenses	6,819,577	6,499,193

Salaries and wages expense includes the movement in employee leave provisions, which have been grossed up to include applicable on-costs (consisting of leave loading, superannuation, payroll tax etc.) – as per AASB 119 Employee Benefits.

INDEPENDENT EDUCATION UNION OF AUSTRALIA - QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
Note 4B: Capitation Fees		
Independent Education Union of Australia	310,556	277,670
Total capitation fees	<u>310,556</u>	<u>277,670</u>
 Note 4C: Affiliation Fees		
Independent Education Union of Australia – ACTU Affiliation	99,145	97,850
Northern Territory Trades & Labour Council	3,119	3,200
Total affiliation fees	<u>102,264</u>	<u>101,050</u>
 Note 4D: Administration expenses		
Consideration to employers for payroll deductions	8,686	8,686
Travel and allowances – Meeting/ conferences	77,221	69,768
Conference and meeting expenses	16,730	65,773
Occupancy expenses	697,116	684,171
Operating lease rentals	150,332	110,847
Information technology and communications expense	359,829	279,238
Travel and motor vehicle expenses	300,051	293,553
Postage, stationery and printing	462,839	427,519
Finance costs	77,544	72,525
Member services	98,333	95,575
Other expenses	133,746	107,831
Total administration expenses	<u>2,382,427</u>	<u>2,215,486</u>
 Note 4E: Depreciation		
Motor vehicles	70,992	61,140
Office equipment	2,234	2,794
Total depreciation	<u>73,226</u>	<u>63,934</u>
 Note 4F: Grants or donations		
Grants	-	-
 Donations:		
Total paid that were \$1,000 or less	3,156	7,796
Total paid that exceeded \$1,000	6,000	31,000
Total grants or donations	<u>9,156</u>	<u>38,796</u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA - QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
Note 4G: Legal costs		
Legal costs:	290,227	180,021
- Litigation		
- Other legal matters	700	35,840
Total legal costs	<u>290,927</u>	<u>215,861</u>

Note 4H: Other expenses		
Branch expenditure	20,182	31,232
Bursary and sponsorship	28,010	19,359
Industrial campaign expenditure	19,140	26,766
Membership monitoring	15,000	16,250
Shanghai relationship	8,017	8,488
Building union strength	58,247	71,802
Research	10,067	10,236
Total other expenses	<u>158,663</u>	<u>184,133</u>

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	1,119,012	1,602,546
Cash on hand	-	-
Short term deposits	2,700,000	2,300,000
Total cash and cash equivalents	<u>3,819,012</u>	<u>3,902,546</u>

Note 5B: Trade and Other Receivables

Receivables from other reporting units		
- Independent Education Union of Australia	833	797
Less provision for doubtful debts (reporting units)	-	-
Receivable from other reporting units (net)	<u>833</u>	<u>797</u>

Other receivables:

Other trade receivables		
- Queensland Independent Education Union	-	1,135
- Other	305	327
Membership fees receivable	-	4,741
Accrued income	36,498	51,736
Total other receivables	<u>36,803</u>	<u>57,939</u>
Total trade and other receivables (net)	<u>37,636</u>	<u>58,736</u>

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TERRITORY BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
Note 5C: Other current assets		
Prepayments	227,854	230,557
Total other current assets	<u>227,854</u>	<u>230,557</u>

Note 6 Non-current Assets

Note 6A: Motor Vehicles

Motor vehicles:		
at cost	541,126	435,961
accumulated depreciation	(198,211)	(127,219)
Total motor vehicles	<u>342,915</u>	<u>308,742</u>

Reconciliation of Opening and Closing Balances of Motor Vehicles

As at 1 January		
Gross book value	435,961	330,604
Accumulated depreciation and impairment	(127,219)	(66,079)
Net book value 1 January	<u>308,742</u>	<u>264,525</u>
Additions:		
By purchase	105,165	105,357
Depreciation expense	(70,992)	(61,140)
Disposals:		
By sale	-	-
Net book value 31 December	<u>342,915</u>	<u>308,742</u>
Net book value as of 31 December represented by:		
Gross book value	541,126	435,961
Accumulated depreciation and impairment	(198,211)	(127,219)
Net book value 31 December	<u>342,915</u>	<u>308,742</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
Note 6B: Office Equipment		
Office equipment:		
at cost	20,440	20,440
accumulated depreciation	(11,501)	(9,264)
Total office equipment	8,939	11,176

Reconciliation of Opening and Closing Balances of Office Equipment

As at 1 January		
Gross book value	20,440	20,440
Accumulated depreciation and impairment	(9,264)	(6,470)
Net book value 1 January	11,176	13,970
Additions:		
By purchase	-	-
Depreciation expense	(2,236)	(2,794)
Disposals:		
By sale	-	-
Net book value 31 December	8,939	11,176
Net book value as of 31 December represented by:		
Gross book value	20,440	20,440
Accumulated depreciation and impairment	(11,501)	(9,264)
Net book value 31 December	8,939	11,176

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018	2017
	\$	\$
Note 7 Current Liabilities		
Note 7A: Trade payables		
Trade creditors and accruals	177,086	237,712
Subtotal trade creditors	<u>177,086</u>	<u>237,712</u>
Total trade payables	<u>177,086</u>	<u>237,712</u>

Settlement is usually made within 30 days.

Note 7B: Other payables

Legal costs		
Litigation	2,981	18,540
Other legal matters	-	-
Subscriptions in advance	1,055,690	840,399
GST payable	224,319	198,740
Other payables	-	-
Total other payables	<u>1,282,990</u>	<u>1,057,679</u>
Total other payables are expected to be settled in:		
No more than 12 months	1,282,990	1,057,679
More than 12 months	-	-
Total other payables	<u>1,282,990</u>	<u>1,057,679</u>

INDEPENDENT EDUCATION UNION OF AUSTRALIA - QUEENSLAND AND NORTHERN
TERRITORY BRANCH

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

	2018 \$	2017 \$
Note 8 Provisions		
Note 8A: Employee Provisions		
Office Holders:		
Annual leave	430,203	430,476
Long service leave	327,677	299,918
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—office holders</i>	757,880	730,394
Employees other than office holders:		
Annual leave	636,283	620,850
Long service leave	884,573	892,598
Separations and redundancies	-	-
Other	-	-
<i>Subtotal employee provisions—employees other than office holders</i>	1,520,856	1,513,448
Total employee provisions	2,278,736	2,243,842
 Current	 2,226,752	 2,186,611
Non-Current	51,984	57,231
<i>Total employee provisions</i>	2,278,736	2,243,842

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 \$	2017 \$
Note 9 Cash Flow		
Note 9A: Cash Flow Reconciliation		
Reconciliation of cash and cash equivalents as per Statement of Financial Position to Cash Flow Statement:		
Cash and cash equivalents as per:		
Cash flow statement	3,819,012	3,902,546
Statement of financial position	3,819,012	3,902,546
Difference	<u>-</u>	<u>-</u>
Reconciliation of surplus to net cash from operating activities:		
(Deficit)/ surplus for the year	(274,980)	117,792
Adjustments for non-cash items		
Depreciation	73,226	63,934
Changes in assets/liabilities		
(Increase)/ decrease in net receivables	21,100	496,640
(Increase)/ decrease in other current assets	2,703	(32,227)
Increase/ (decrease) in trade and other payables	164,685	(391,965)
Increase/ (decrease) in employee provisions	34,894	67,081
Net cash provided by/ (used in) operating activities	<u>21,628</u>	<u>321,255</u>
Note 9B: Cash flow information		
Cash inflows from other reporting units		
Independent Education Union of Australia	9,267	9,152
Independent Education Union of Australia – South Australia Branch	-	1,794
Total cash inflows	<u>9,267</u>	<u>10,946</u>
Cash outflows to other reporting units		
Independent Education Union of Australia	(456,086)	(413,072)
Independent Education Union of Australia – New South Wales/ ACT Branch	(110,729)	-
Total cash outflows	<u>(556,815)</u>	<u>(413,072)</u>
Cash inflows from related parties		
Queensland Independent Education Union	2,465	500,811
Total cash inflows	<u>2,465</u>	<u>500,811</u>
Cash outflows to related parties		
Queensland Independent Education Union	(657,289)	(652,215)
Total cash inflows	<u>(657,289)</u>	<u>(652,215)</u>

Note: Cash flow information to/ from other reporting units and related parties disclosed above include 10% GST on applicable transactions.

INDEPENDENT EDUCATION UNION OF AUSTRALIA - QUEENSLAND AND NORTHERN TERRITORY BRANCH

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 9C: Credit standby arrangements and loan facilities

The Branch has a credit card facility with Westpac Banking Corporation amounting to \$101,000 (2017: \$100,000). In addition, the Branch has a credit card facility with American Express Limited amounting to \$125,000 (2017: \$125,000). This may be terminated at any time at the option of the financial institution. The balance of this facility is cleared monthly and interest rates are variable.

Note 9D: Non-cash transactions

There have been no non-cash financing or investing activities during the year (2017: Nil).

	2018 \$	2017 \$
Note 9E: Net debt reconciliation		
Cash and cash equivalents	3,819,012	3,902,546
Borrowings – repayable within one year	-	-
Borrowings – repayable after one year	-	-
Net debt	<u>3,819,012</u>	<u>3,902,546</u>

Note 9F: Reconciliation of movements of liabilities to cash flows arising from financing activities

	Other Assets	Liabilities from financing activities		
	Cash assets	Borrowings – due within 1 year	Borrowings – due after 1 year	Total
Net debt at 1 January 2017	3,686,648	-	-	3,686,648
Cash flows	215,898	-	-	215,898
Net debt at 31 December 2017	<u>3,902,546</u>	<u>-</u>	<u>-</u>	<u>3,902,546</u>
Cash flows	(83,534)	-	-	(83,534)
Net debt at 31 December 2018	<u>3,819,012</u>	<u>-</u>	<u>-</u>	<u>3,819,012</u>

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 10 Contingent Liabilities, Assets and Commitments

Note 10A: Commitments and Contingencies

Capital commitments

At 31 December 2018 the Branch did not have any capital commitments (2017: Nil).

Other contingent assets or liabilities (i.e. legal claims)

The Committee of Management is not aware of any other contingent assets or liabilities that are likely to have a material effect on the results of the Branch.

Leasing Commitments

Operating Leases (as a lessor)

Non-cancellable operating leases rentals payables as follows.

	2018	2017
Payable – Minimum lease payments		
not later than 12 months	387,192	450,999
between 12 months and 5 years	296,073	291,942
greater than 5 years	-	-
Minimum lease payments	683,265	742,941

The Branch leases office space in Brisbane, Toowoomba, Rockhampton, Sunshine Coast, Gold Coast, Darwin, Bundaberg and Townsville under operating leases. The leases run for a period ranging between 3 to 5 years with an option to renew the lease after that date. Lease payments are reviewed regularly to reflect market rentals.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 11 Related Party Disclosures

Note 11A: Related Party Transactions for the Reporting Period

For financial reporting purposes, under the *Fair Work (Registered Organisations) Act 2009*, the Independent Education Union of Australia is divided into the following separate reporting units (and deemed related parties):

Independent Education Union of Australia (National Office)
Independent Education Union of Australia – New South Wales/ Australian Capital Territory Branch (IEUA – NSW/ ACT Branch)
Independent Education Union of Australia – Victoria/ Tasmania Branch (IEUA – VIC/ TAS Branch)
Independent Education Union of Australia – South Australia Branch (IEUA – SA Branch)
Independent Education Union of Australia – Western Australia Branch (IEUA – WA Branch)

The Queensland Independent Education Union of Employees (QIEU) is deemed to be a related party, as it is an Associated Body under the Rules of the Independent Education Union of Australia

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

	2018	2017
	\$	\$
Revenues received from IEUA – National Office includes the following:		
Payroll tax contribution	9,303	9,077
Reimbursement of conference expenses	-	69
Expenses paid to the Independent Education Union of Australia – National Office includes the following:		
Capitation fees	310,556	277,670
Affiliation fees - ACTU	99,145	97,850
Amounts owed by IEUA – National Office includes the following:		
Payroll tax contribution	833	797
Revenues received from IEUA – SA Branch includes the following:		
Reimbursement of call centre costs	-	1,631
Expenses paid to IEUA – NSW/ ACT Branch includes the following:		
Purchase of union journal	100,444	-
Reimbursement of accommodation costs	218	-

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 11 Related Party Disclosures (Continued)

Note 11A: Related Party Transactions for the Reporting Period

	2018	2017
	\$	\$
Expenses paid to QIEU include the following:		
Property expenses	596,223	589,737
Reimbursement of membership income	1,209	707
Amounts owed by QIEU include the following:		
Property related expenses	-	1,135
Amounts owed to QIEU include the following:		
Reimbursement of expenses	-	-

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 2018, the Branch has not recorded any impairment of receivables relating to amounts owed by related parties and declared person or body (2017: 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.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 11 Related Party Disclosures (Continued)

Note 11B: Key Management Personnel Remuneration for the Reporting Period

Key management personnel comprise those individuals who have the authority and responsibility for planning, directing and controlling the activities of the Branch. The Branch has determined key management personnel comprise of:

- Terence Burke (Branch Secretary)
- Paul Giles (Branch Assistant Secretary/ Branch Treasurer)
- Bradley Hayes (Branch Assistant Secretary)
- Rebecca Sisson (Branch Assistant Secretary)
- All remaining members of the Committee of Management.

	2018 \$	2017 \$
Short-term employee benefits		
Salary (including annual leave)	721,979	789,909
Other	48,430	50,781
Total short-term employee benefits	<u>770,409</u>	<u>840,690</u>
Post-employment benefits:		
Superannuation	75,038	83,472
Total post-employment benefits	<u>75,038</u>	<u>83,473</u>
Other long-term benefits:		
Long-service leave	15,633	17,390
Total other long-term benefits	<u>15,633</u>	<u>17,390</u>
Termination benefits	-	-
Total termination benefits	<u>-</u>	<u>-</u>
Total Remuneration of Key Management Personnel	<u>861,080</u>	<u>941,552</u>

No other transactions occurred during the year with elected officers, close family members or other related parties than those related to their membership or employment and on terms no more favourable than those applicable to any other member of employee.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

	2018 \$	2017 \$
Note 12 Remuneration of Auditors		
Value of the services provided		
Financial statement audit services – current year	17,500	17,000
Financial statement audit services – prior year	-	2,500
Other services	-	-
Total remuneration of auditors	17,500	19,500

Note 13 Financial Instruments

Financial Risk Management Policy

The Branch Committee of Management monitors the Branch's financial risk management policies and exposure and approves financial transactions entered into. It also reviews the effectiveness of internal controls relating to the counterparty credit risk, liquidity risk, market risk and interest rate risk. The Branch Committee of Management meets on a regular basis to review the financial exposure of the Branch.

(a) Credit Risk

Exposure to credit risk relating to financial assets arise from the potential non-performance by counterparties of contract obligations that could lead to a financial loss of the Branch. The Branch does not have any material credit risk exposures as its major source of revenue is the receipt of membership fees.

The maximum exposures to credit risk by class of recognised financial assets at the end of the reporting period is equivalent to the carrying value and classification of those financial assets (net of provisions) as presented in the statement of financial position.

The Branch has no significant concentration of credit risk with respect to any single counterparty or group of counterparties. The class of assets described as Trade and Other Receivables is considered to be the main source of credit risk related to the Branch.

On a geographical basis, the Branch's trade and other receivables are all based in Australia.

The following table details the Branch's trade and other receivables exposed to credit risk. Amounts are considered 'past due' when the debt has not been settled, within the terms and conditions agreed between the Branch and the customer or counterparty to the transaction. Receivables that are past due are assessed for impairment by ascertaining solvency of the debtors and are provided for where there are specific circumstances indicating that the debt may not be fully repaid to the Branch.

The balance of receivables that remain within initial trade terms (as detailed in the table) are considered to be of high credit quality.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 13 Financial Instruments (Continued)

Ageing of financial assets that were past due but not impaired for 2018

	Within Trading Terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	36,804	-	-	-	-	36,804
Receivables from other reporting units	833	-	-	-	-	833
Receivables from other related parties	-	-	-	-	-	-
Total	37,637	-	-	-	-	37,637

Ageing of financial assets that were past due but not impaired for 2018

	Within Trading Terms	0 to 30 days	31 to 60 days	61 to 90 days	90+ days	Total
	\$	\$	\$	\$	\$	\$
Trade and other receivables	56,804	-	-	-	-	56,804
Receivables from other reporting units	797	-	-	-	-	797
Receivables from other related parties	1,135	-	-	-	-	1,135
Total	58,736	-	-	-	-	58,736

The Branch has no significant concentrations of credit risk exposure to any single counterparty or group of counterparties.

Credit risk related to balances with banks and other financial institutions is managed by the Committee of Management in accordance with approved policy. Such policy requires that surplus funds are only invested with counterparties with a strong reputation and backed by the Commonwealth Government's bank guarantee. At 31 December 2018, all funds were held by financial institutions backed by the Commonwealth Government's bank guarantee.

Collateral held as security

The Branch does not hold collateral with respect to its receivables at 31 December 2018 (2017: Nil).

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 13 Financial Instruments (Continued)

(b) Liquidity Risk

Liquidity risk arises from the possibility that the Branch might encounter difficulty in settling its debts or otherwise meeting its obligations in relation to financial liabilities. The Branch manages this risk through the following mechanisms:

- preparing forward looking cash flow estimates;
- maintaining a reputable credit profile;
- managing credit risk related to financial assets;
- only investing surplus cash with major financial institutions; and
- comparing the maturity profile of financial liabilities with the realisation profile of financial assets.

The tables below reflect an undiscounted contractual maturity analysis for non-derivative financial liabilities. The Branch does not hold directly any derivative financial liabilities.

Cash flows realised from financial assets reflect management's expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows presented in the table to settle financial liabilities reflects the earliest contractual settlement dates

Financial Instrument Composition and Maturity Analysis

	Within 1 Year		1 to 5 Years		Over 5 Years		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Financial liabilities due for payment								
Trade payables	177,086	237,712	-	-	-	-	177,086	237,712
Other payables	1,282,990	1,057,679	-	-	-	-	1,282,990	1,057,679
Total expected outflows	1,460,076	1,295,391	-	-	-	-	1,460,076	1,295,391

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018

Note 13 Financial Instruments (Continued)

(b) Liquidity Risk (continued)

	Within 1 Year		1 to 5 Years			Over 5 Years			Total	
	2018	2017	2018	2018	2017	2018	2018	2017	2018	2017
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Financial assets – cash flow receivable										
Cash and cash equivalents	3,819,012	3,902,546	-	-	-	-	-	-	3,819,012	3,902,546
Trade and other receivables	37,637	58,736	-	-	-	-	-	-	37,637	58,736
Total anticipated inflows	3,856,649	3,961,282	-	-	-	-	-	-	3,856,649	3,961,282
Net inflow on financial instruments	2,396,573	2,665,891	-	-	-	-	-	-	2,396,573	2,665,891

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 13 Financial Instruments (Continued)

(c) Market Risk

i. Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at the end of the reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed rate financial instruments. The Branch is also exposed to earnings volatility on floating rate instruments.

Interest rate risk is managed using a mix of fixed and floating financial instruments. The effective interest rate expenditure to interest rate financial instruments is as follows:

	Weighted Average Effective Interest Rate			
	2018	2017	2018	2017
	%	%	\$	\$
Floating rate instruments				
Cash and cash equivalents	1.41	1.39	3,819,012	3,902,546

ii. Foreign exchange risk

The Branch is not exposed to direct fluctuations in foreign currencies.

iii. Price risk

The Branch is not exposed to any material commodity price risk.

iv. Interest rate risk

The Branch has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on the current year results and equity which could result from a change in this risk.

v. Sensitivity Analysis

The following table illustrates sensitivities to the Branch's exposures to changes in interest rates and equity prices. The table indicates the impact of how profit and equity values reported at the end of the reporting period would have been affected by changes in the relevant risk variable that the Committee of Management considers to be reasonably possible.

These sensitivities assume that the movement in a particular variable is independent of other variables.

	Profit \$	Equity \$
<u>Interest rates</u>		
Year ended 31 December 2018		
+2% in interest rates	76,659	76,659
-2% in interest rates	(54,000)	(54,000)
Year ended 31 December 2017		
+2% in interest rates	78,051	78,051
-2% in interest rates	(47,535)	(47,535)

No sensitivity analysis has been performed on foreign exchange risk as the Branch has no material direct exposures to currency risk. There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

There have been no changes in any of the assumptions used to prepare the above sensitivity analysis from the prior year.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 14 Fair Value Measurement

Fair Values

Fair value estimation

The fair values of financial assets and liabilities are presented in the following table and can be compared to their carrying values as presented in the statement of financial position. Fair value is the amount at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties at an arm's length transaction.

Fair value may be based on information that is estimated or subject to judgment, where changes in assumptions may have a material impact on the amounts estimated. Areas of judgement and the assumptions have been detailed below. Where possible, valuation information used to calculate fair values is extracted from the market, with more reliable information available from markets that are actively traded.

In this regard, fair values for listed securities are obtained from quoted market bid prices. Where securities are unlisted and no market quotes are available, fair value is obtained using discounted cash flow analysis and other valuation techniques commonly used by market participants.

Differences between fair values and carrying amounts of financial instruments with fixed interest rates are due to the change in discount rates being applied by the market since their initial recognition by the Branch. Most of these instruments, which are carried at amortised cost (i.e. accounts receivable), are to be held until maturity and therefore the fair value figures calculated bear little relevance to the Branch.

The following table contains the carrying amounts and related fair values for the Branch's financial assets and liabilities:

	Footnote	2018		2017	
		Carrying value	Fair value	Carrying value	Fair value
		\$	\$	\$	\$
Financial assets					
Cash and cash equivalents	(i)	3,819,012	3,819,012	3,902,546	3,902,546
Trade and other receivables	(i)	37,637	37,637	58,736	58,736
Total financial assets		3,856,649	3,856,649	3,961,282	3,961,282
Financial liabilities					
Trade payables	(i)	177,086	177,086	237,712	237,712
Other payables	(i)	1,282,990	1,282,990	1,057,679	1,057,679
Total financial liabilities		1,460,076	1,460,076	1,295,391	1,295,391

The fair values disclosed in the above table have been determined based on the following methodologies:

- (i) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 14 Fair Value Measurement (Continued)

The fair values disclosed in the above table have been determined based on the following methodologies:

- (ii) Cash and cash equivalents, accounts receivable and other debtors and accounts payable and other payables are short-term instruments in nature whose carrying value is equivalent to fair value. Trade and other payables exclude amounts provided for annual leave, which is outside the scope of AASB 139.

Fair Value Hierarchy

AASB 13: Fair Value Measurement requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of the three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

Level 1

Measurements based on quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2

Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3

Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

The Branch does not hold any assets or liabilities at 31 December 2018 or 31 December 2017 that are valued using the fair value hierarchy.

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**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Note 15 Section 272 Fair Work (Registered Organisations) Act 2009

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

Information to be provided to members or the Commissioner:

- (1) A member of a reporting unit, or the Commissioner, may apply to the reporting unit for specified prescribed information in relation to the reporting unit to be made available to the person making the application.
- (2) The application must be in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) A reporting unit must comply with an application made under subsection (1).

Note 16 Branch Details

The registered office of the Branch is:

346 Turbot Street
Spring Hill Qld 4000

Note 17 Segment Information

The Branch operates solely in one reporting segment, being the provision of industrial services in Queensland and the Northern Territory.

**INDEPENDENT EDUCATION UNION OF AUSTRALIA - QUEENSLAND AND NORTHERN
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OFFICER DECLARATION STATEMENT

I Terence Burke, being the Branch Secretary of the Independent Education Union of Australia – Queensland and Northern Territory Branch, declare that the following did not occur during the reporting period ended 31 December 2018:

The reporting unit did not:

- Agree to receive financial support from another reporting unit to continue as a going concern (refer to agreement regarding financial support not dollar amounts)
- Agree to provide financial support to another reporting unit to ensure they continued as a going concern (refer to agreement regarding financial support not dollar amounts)
- Acquired an asset or liability due to an amalgamation Under Part 2 of Chapter 3 of the RO Act, a restructuring of the branches of an organisation, a determination of revocation by the General Manager, Fair Work Commission
- Receive capitation fees from another reporting unit
- Receive revenue via compulsory levies
- Receive any other revenue from another reporting unit
- Receive donations or grants
- Received revenue from undertaking recovery of wages activity
- Pay compulsory levies
- Pay a grant that was \$1,000 or less
- Pay a grant that exceeds \$1,000
- Pay to a person fees or allowances to attend conferences or meetings as a representative of the reporting unit
- Pay a penalty imposed under the RO Act or the *Fair Work Act 2009*
- Have a payable to an employer for that employer making payroll deductions of membership subscriptions
- Have a payable with other reporting unit(s)
- Have a payable in respect of legal costs relating to other legal matters
- Have a fund of account for compulsory levies, voluntary contributions or required by the rules of the organisation or branch
- Transfer to or withdraw from a fund (other than the general fund), account, asset or controlled entity
- Have a balance within the general fund
- Have another entity administer the financial affairs of the reporting unit
- Make a payment to a former related party of the reporting unit



Terence Burke

Branch Secretary

17 March 2019