2016-17 Model Financial Statements
Registered Organisations

FINANCIAL STATEMENTS 2016–17

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Introduction

This document contains a financial report of Independent Education Union of Australia – a reporting unit as defined under section 242 of the *Fair Work (Registered Organisations) Act 2009* (RO Act), with a reporting date of 31 December 2017.

The enclosed financial report has been prepared in accordance with the requirements of applicable Australian Accounting Standards as they apply to a not-for-profit entity and the RO Act, including the section 253 Reporting Guidelines issued on 13 June 2014.

Australian Accounting Standards applicable as at 31 December 2017

This financial report illustrates Australian Accounting Standards which apply to annual reporting periods beginning on or after 1 July 2016.

In addition, the disclosure requirements of the following Australian Accounting Standards are not applicable to Independent Education Union of Australia and have therefore not been considered in the financial report:

- AASB 1 *First Time Adoption of Australian Equivalents to International Financial Reporting Standards*
- AASB 2 *Share-based Payment*
- AASB 3 *Business Combinations*
- AASB 4 *Insurance Contracts*
- AASB 5 *Non-current Assets Held for Sale and Discontinued Operations*
- AASB 6 *Exploration for and Evaluation of Mineral Resources*
- AASB 8 *Operating Segments*
- AASB 10 *Consolidated Financial Statements*
- AASB 14 *Regulatory Deferral Accounts*
- AASB 102 *Inventories*
- AASB 111 *Construction Contracts*
- AASB 112 *Income Taxes*
- AASB 129 *Financial Reporting in Hyperinflationary Economies*
- AASB 133 *Earnings per Share*
- AASB 134 *Interim Financial Reporting*
- AASB 141 *Agriculture*
- AASB 1023 *General Insurance Contracts*
- AASB 1038 *Life Insurance Contracts*
- AASB 1039 *Concise Financial Reports*
- AASB 1049 *Whole of Government and General Government Sector Financial Reporting*
- AASB 1050 *Administered Items*
- AASB 1051 *Land Under Roads*
- AASB 1052 *Disaggregated Disclosures*
- AASB 1056 *Superannuation Entities*
- AAS 25 *Financial Reporting by Superannuation Plans*
- Interpretation 1 *Changes in Existing Decommissioning, Restoration and Similar Liabilities*
- Interpretation 6 *Liabilities arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment*
- Interpretation 7 *Applying the Restatement Approach under AASB 129 Financial Reporting in Hyperinflationary Economies*
- Interpretation 10 *Interim Financial Reporting and Impairment*
- Interpretation 12 *Service Concession Arrangements*
- Interpretation 13 *Customer Loyalty Programs*

- Interpretation 15 *Agreements for the Construction of Real Estate*
- Interpretation 17 *Distributions of Non-Cash Assets to Owners*
- Interpretation 20 *Stripping Costs in the Production Phase of a Surface Mine*
- Interpretation 107 *Introduction of the Euro*
- Interpretation 110 *Government Assistance — No Specific Relation to Operating Activities*
- Interpretation 125 *Income Taxes – Changes in the Tax Status of an Entity or its Shareholders*
- Interpretation 129 *Service Concession Arrangements: Disclosures*
- Interpretation 131 *Revenue — Barter Transactions Involving Advertising Services*
- Interpretation 1003 *Australian Petroleum Resource Rent Tax*
- Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*
- Interpretation 1042 *Subscriber Acquisition Costs in the Telecommunications Industry*
- Interpretation 1047 *Professional Indemnity Claims Liabilities in Medical Defence Organizations*
- 1052 *Tax Consolidation Accounting*
- Interpretation 1055 *Accounting for Road Earthworks*

Allowed alternative treatments

In some cases, an Australian Accounting Standard permits more than one accounting treatment for a transaction or event. Preparers of the financial statements should select the treatment that is most relevant to their business and the relevant circumstances as their accounting policy.

AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*, requires an entity to select and apply its accounting policies consistently for similar transactions, events and/or conditions, unless an Australian Accounting Standard specifically requires or permits categorisation of items for which different policies may be appropriate. Where an Australian Accounting Standard requires or permits such categorisation, an appropriate accounting policy is selected and applied consistently to each category. Therefore, once a choice of one of the alternative treatments has been made, it becomes an accounting policy and must be applied consistently. Changes in accounting policy should only be made if required by a standard or interpretation, or if the change results in the financial statements providing more reliable and relevant information.

Abbreviations

The following abbreviations are used in the model financial report:

AASB	Australian Accounting Standards Board
FBT	Fringe Benefit Tax
GPFR	General Purpose Financial Report
GST	Goods and Services Tax
RO Act	*Fair Work (Registered Organisations) Act 2009*
RO Regulations	*Fair Work (Registered Organisations) Regulations 2009*

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a division of VINCENTS

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Independent Audit Report to the Members of the Independent Education Union of Australia

Opinion

I have audited the financial report of the Independent Education Union of Australia (the Reporting Unit), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2017, notes to the financial statements, including a summary of significant accounting policies; and the Committee of Management Statement.

In my opinion, the accompanying financial report presents fairly, in all material aspects, the financial position of the Independent Education Union of Australia as at 31 December 2017, 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).

I declare that management's use of the going concern basis in the preparation of the financial statements of the Reporting Unit is appropriate.

Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report. I am independent of the Reporting Unit 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 my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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.

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

In connection with my audit of the financial report, my 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Responsibilities of Committee of Management for the Financial Report

The Committee of Management of the Reporting Unit 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 Reporting Unit'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 Reporting Unit or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

My 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, I exercise professional judgement and maintain professional scepticism throughout the audit. I 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 Reporting Unit'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 Reporting Unit's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Reporting Unit to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Reporting Unit to express an opinion on the financial report. I am responsible for the direction, supervision and performance of the Reporting Unit audit. I remain solely responsible for my audit opinion.

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.

Report on Other Legal and Regulatory Requirements

In accordance with the requirements of section 257(7) of the RO Act, I am required to describe any deficiency, failure or shortcoming in respect of the matters referred to in section 252 and 257(2) of the RO Act.

My opinion on the financial report is not modified in respect of any other legal or regulatory requirement.

Responsibilities

The Committee of Management is responsible for the preparation and presentation of the recovery of wages activity financial report in accordance with the reporting guidelines of the General Manager. My responsibility is to express an opinion on the recovery of wages activity financial report, based on my audit conducted in accordance with Australian Auditing Standards.

MCS Audit Ptv Ltd

Phillip W Miller CA
Partner

Canberra

Date: 25 June 2018

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

OPERATING REPORT

for the period ended 31st December 2017

The committee presents its report on the reporting unit for the financial year ended 31st December 2017.

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 Council member, Federal Vice President, Secretary IEUA Vic Tas Branch – Director of Catholic Superannuation Fund
Cathy Hickey	Federal Council member - Director NGS Super Fund
Terry Burke	Federal Council member, Federal Deputy President, Secretary IEUA QNT Branch – Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super
John Spriggs	Federal Council member, Senior Industrial Officer IEUA QNT Branch - Director QIEC Pty. Ltd., the Corporate Trustee of QIEC Super
Chris Seymour	Industrial Co-ordinator IEUA QNT Branch – Alternate Director QIEC Pty. Ltd. the Corporate Trustee of QIEC Super
Glen Seidel	Federal Council member, Federal Executive member, Secretary IEU(SA) Branch – Director NGS Super Fund
Gloria Taylor	Federal Council member, Federal Executive member, Deputy Secretary IEUA NSWACT Branch – Director NGS Super Fund
John Quessy	Federal Council member, Federal President, Secretary IEUA NSWACT Branch – Alternate Director NGS Super Fund
Christine Wilkinson	Federal Council member, President IEUA NSWACT Branch –Director NGS Super Fund
Angela Briant	Federal Council member, Federal Executive member, Secretary IEUA WA Branch – Director WA Super

Number of members

There were 72,888 members on the register of members on 31st December 2017.

Number of employees

As at 31 December 2017 the number of employees employed on a full-time equivalent basis was 4.4 FTE.

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

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

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

The Operating Report for the period ended 31st December 2017 was prepared by Chris Watt, Federal Secretary.

Signature:

For Federal Executive:	John Quessy	Chris Watt
Title of office held:	Federal President	Federal Secretary
Dated:	24.5. 2018	24/5/ 2018

Independent Education Union of Australia

FEDERAL COUNCIL'S STATEMENT

(Committee of Management Statement)

for the year ended 31 December 2017

On 24/05/2018 the Federal Council of the *Independent Education Union of Australia* passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2017:

The Federal Council declares that in its opinion:

(a) the financial statements and notes comply with the Australian Accounting Standards;

(b) the financial statements and notes comply with any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009* (the RO Act);

(c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash 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 Commissioner duly made under section 272 of the RO Act has been provided to the member or Commissioner; and

  (vi) where any order for inspection of financial records has been made by the Registered Organisations Commission under section 273 of the RO Act, there has been compliance.

(f) no revenue has been derived from undertaking recovery of wages activity during the reporting period

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

Signature of designated officer: .....

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

Dated: ..... 24 MAY 2018 .....

INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

Statement of Comprehensive Income

for the year ended 31 December 2017

	Notes	2017 $	2016 $
Revenue			
Membership subscription*		-	-
Capitation fees	3A	**1,204,666**	1,189,213
Levies	3B	-	-
Interest	3C	**2,919**	3,712
Other revenue	3D	**424,520**	415,986
Total revenue		**1,632,105**	1,608,911
Other Income			
Grants and/or donations	3E	-	-
Share of net profit from associate	6E	-	-
Net gains from sale of assets	3F	-	-
Total other income		-	-
Total income		**1,632,105**	1,608,911
Expenses			
Employee expenses	4A	**684,619**	768,100
Capitation fees	4B	-	-
Affiliation fees	4C	**584,252**	580,000
Administration expenses	4D	**304,760**	263,396
Grants or donations	4E	**33,254**	20,000
Depreciation and amortisation	4F	**922**	964
Legal costs	4G	-	-
Other expenses	4H	-	27,511
Audit fees	12	**4,900**	4,200
Share of net loss from associate	6E	-	-
Total expenses		**1,612,707**	1,664,171
Surplus (deficit) for the year		**19,398**	(55,260)
Other comprehensive income			
Items that will be subsequently reclassified to profit or loss			
Net gain on available for sale investments		-	-
Items that will not be subsequently reclassified to profit or loss		-	-
Gain on revaluation of land & buildings		-	-
Total comprehensive income for the year		**19,398**	(55,260)

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

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

Statement of Financial Position

as at 31 December 2017

	Notes	2017 $	2016 $
ASSETS			
Current Assets			
Cash and cash equivalents	5A	**309,954**	365,226
Trade and other receivables	5B	**2,416**	2,475
Other current assets	5C	**1,936**	5,665
Total current assets		**314,306**	373,366
Non-Current Assets			
Plant and equipment	6	**4,415**	3,273
Total non-current assets		**4,415**	3,273
Total assets		**318,721**	376,639
LIABILITIES			
Current Liabilities			
Trade payables	7A	**23,024**	32,304
Other payables	7B	**28,899**	36,114
Employee provisions	8	**285,498**	353,726
Total current liabilities		**337,421**	422,144
Non-Current Liabilities			
Employee provisions	8	**7,407**	-
Total non-current liabilities		**7,407**	-
Total liabilities		**344,828**	422,144
Net assets		**(26,107)**	(45,505)
EQUITY			
Current year Surplus/(Deficit)	9	**19,398**	(55,260)
Retained earnings (accumulated deficit)		**(45,505)**	9,755
Total equity		**(26,107)**	(45,505)

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

Statement of Changes in Equity

for the year ended 31 December 2017

	Retained earnings	Total equity
	$	$
Balance as at 1 January 2016	9,755	9,755
Adjustment for errors	-	-
Surplus / (Deficit)	(55,260)	(55,260)
Closing balance as at 31 December 2016	**(45,505)**	**(45,505)**
Surplus / (Deficit)	**19,398**	**19,398**
Closing balance as at 31 December 2017	**(26,107)**	**(26,107)**

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

Statement of Cash Flows

for the year ended 31 December 2017

	Notes	2017 $	2016 $
OPERATING ACTIVITIES			
Cash received			
Receipts from operations		-	159
Inflows from related reporting entities		1,792,163	1,604,988
Interest		2,919	3,712
Other		-	-
Cash used			
Employees		(684,619)	-
Suppliers		(1,069,375)	(1,631,082)
Payment to ATO		(94,295)	-
Payment to other reporting units/controlled entity(s)		-	-
Net cash from (used by) operating activities	10A	(53,207)	(22,223)
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		-	-
Cash used			
Purchase of plant and equipment		(2,065)	-
Purchase of land and buildings		-	-
Other		-	-
Net cash from (used by) investing activities		-	-
FINANCING ACTIVITIES			
Cash received			
Contributed equity		-	-
Other		-	-
Cash used			
Repayment of borrowings		-	-
Other		-	-
Net cash from (used by) financing activities		-	-
Net increase (decrease) in cash held		(55,272)	(22,223)
Cash & cash equivalents at the beginning of the reporting period		365,226	387,449
Cash & cash equivalents at the end of the reporting period	5A	309,954	365,226

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

INDEPENDENT EDUCATION UNION OF AUSTRALIA

ABN: 44 401 438 657

Recovery of Wages Activity*

for the year ended 31 December 2017

	2017 $	2016 $
Cash assets in respect of recovered money at beginning of year	-	-
Receipts		
Amounts recovered from employers in respect of wages etc.	-	-
Interest received on recovered money	-	-
Total receipts	-	-
Payments		
Deductions of amounts due in respect of membership for:		
12 months or less	-	-
Greater than 12 months	-	-
Deductions of donations or other contributions to accounts or funds of:		
The reporting unit:		
name of account	-	-
name of fund	-	-
Name of other reporting unit of the organisation:		
name of account	-	-
name of fund	-	-
Name of other entity:		
name of account	-	-
name of fund	-	-
Deductions of fees or reimbursement of expenses	-	-
Payments to workers in respect of recovered money	-	-
Total payments	-	-
Cash assets in respect of recovered money at end of year	-	-
Number of workers to which the monies recovered relates	-	-
Aggregate payables to workers attributable to recovered monies but not yet distributed		
Payable balance	-	-
Number of workers the payable relates to	-	-
Fund or account operated for recovery of wages [*Insert fund or account name. If invested in assets include value of each asset*]	-	-

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

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Note 1 Summary of significant accounting policies

1.1 Basis of preparation of the financial statements

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

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

1.2 Comparative amounts

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

1.3 Significant accounting judgements and estimates

There has been no accounting assumptions or estimates identified that would indicate any significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period.

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.

The accounting policies adopted are consistent with those of the previous financial year except for the following standards and amendments, which have been adopted for the first time in this financial year

- AASB 2014-4 *Amendments to Australian Accounting Standards – Clarification of Acceptable Methods of Depreciation and Amortisation* clarify the principle in AASB 116 *Property, Plant and Equipment* and AASB 138 *Intangible Assets* that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, the ratio of revenue generated to total revenue expected to be generated cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortise intangible assets.

  There was no impact of applying this amendment on Independent Education Union of Australia.
- AASB 2015-2 *Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 101* amends AASB 101 *Presentation of Financial Statements* to clarify existing presentation and disclosure requirements and to ensure entities are able to use judgement when applying the Standard in determining what information to disclose, where and in what order information is presented in their financial statements. For example the amendments make clear that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures.

  There was no impact of applying this amendment on Independent Education Union of Australia.

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.

1.5 Investment in associates and joint arrangements

An associate is an entity over which the Independent Education Union of Australia has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

A joint operation is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the individual assets and obligations for the liabilities of the joint operation.

The results and assets and liabilities of associates and its joint ventures are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with AASB 5 'Non-current Asset Held for Sale and Discontinued Operations. 'Under the equity method, an investment in an associate or joint venture is initially recognised in the statement of financial position at cost and adjusted thereafter to recognise the share of the profit or loss and other comprehensive income of the associate. When the share of losses of an associate or joint venture exceeds the interest in that associate, the Independent Education Union of Australia discontinues recognising its share of further losses. Additional losses are recognised only to the extent that it has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

Any excess of the cost of acquisition over the share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

1.6 Acquisition of assets and or liabilities that do not constitute a business combination

The net book value of assets and or liabilities transferred to Independent Education Union of Australia for no consideration is used to account for an amalgamation under Part 2 of Chapter 3 of the *Fair Work (Registered Organisations) Act 2009*/a restructure of the branches of the Independent Education Union of Australia/a determination by the General Manager under subsections 245(1) of the *Fair Work (Registered Organisations) Act 2009*/a revocation by the General Manager under subsection 249(1) of the *Fair Work (Registered Organisations) Act 2009*.

The assets and liabilities are recognised as at the date of transfer.

1.7 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.

1.8 Government grants[2]

Government grants are not recognised until there is reasonable assurance that the Independent Education Union of Australia will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Independent Education Union of Australia recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Independent Education Union of Australia should purchase, construct otherwise acquire non-current assets are recognised as deferred revenue in the statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Independent Education Union of Australia with no future related costs are recognised in profit or loss in the period in which they become receivable.

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[2] Policy relevant for for-profit reporting units. Not-for-profit reporting units must comply with AASB 1004 Contributions.

1.9 Gains

Sale of assets

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

1.10 Capitation fees and levies

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

1.11 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.

1.12 Leases

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

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

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

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

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

1.13 Borrowing costs

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

1.14 Cash

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

1.15 Financial instruments

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

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

1.16 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.

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.

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.

Derecognition of financial assets

The reporting unit 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.

1.17 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.

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 reporting unit 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.

1.18 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.

1.19 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.

Revaluations—Land and Buildings

Following initial recognition at cost, land and buildings are carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Revaluations are performed with sufficient frequency such that the carrying amount of assets do not differ materially from those that would be determined using fair values as at the reporting date.

Revaluation adjustments are made on a class basis. Any revaluation increment is credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised in the surplus/deficit. Revaluation decrements for a class of assets are recognised directly in the profit or loss except to the extent that they reverse a previous revaluation increment for that class. Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset is restated to the revalued amount.

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:

	2017	2016
Plant and equipment	**4 to 5 years**	4 to 5 years

Derecognition

An item of land, buildings, plant and equipment is derecognized 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 recognized in the profit and loss.

1.20 Investment property

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. Gains and losses arising from changes in the fair value of investment properties are included in profit and loss in the period in which they arise.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognized.

1.21 Intangibles

Intangible assets with finite lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful life. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset are recognised in profit and loss when the asset is derecognised.

1.22 Impairment of non-financial assets

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

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

1.23 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs of disposal.

1.24 Taxation

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

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

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

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

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

1.25 Fair value measurement

The Independent Education Union of Australia 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 16A.

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

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

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

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

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

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

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

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

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

1.26 Going concern

Notwithstanding the association's deficiency in net current assets, the Union is of the opinion that it will be able to continue to operate as a viable entity. The IEUA Federal Executive have undertaken to implement a course of action in 2018 in order to restore the Union's accumulated funds back to a surplus position. If required, the Union is able to enact Rule 7(d) and strike an additional levy on all IEUA state branches, to be able to accumulate additional funds to meet any shortfall.

Note 2 Events after the reporting period

There were no events that occurred after 31 December 2017, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Independent Education Union of Australia.

	2017 $	2016 $
Note 3 Income		
Note 3A: Capitation fees*		
Capitation Fees	**1,204,666**	1,189,213
Total capitation fees	**1,204,666**	1,189,213
Note 3B: Levies*		
Penalty rates reform levy	**-**	-
Total levies	**-**	-
Note 3C: Interest		
Deposits	**2,919**	3,712
Total interest	**2,919**	3,712
Note 3D: Other revenue		
Revenue from operating activities	**424,520**	415,827
Revenue from non-operating activities/Investment Income	**-**	159
Total other revenues	**424,520**	415,986
Note 3E: Grants or donations*		
Grants	**-**	-
Donations	**-**	-
Total grants or donations	**-**	-
Note 3F: Net gains from sale of assets		
Plant and equipment	**-**	-
Intangibles	**-**	-
Total net gain from sale of assets	**-**	-

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

	2017 $	2016 $

Note 4 Expenses

Note 4A: Employee expenses*

Holders of office:		
Wages and salaries	**468,965**	447,939
Superannuation	**76,523**	72,080
Leave and other entitlements	**(5,294)**	89,304
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
Subtotal employee expenses holders of office	**540,194**	609,323
Employees other than office holders:		
Wages and salaries	**103,275**	114,898
Superannuation	**19,574**	16,438
Leave and other entitlements	**21,576**	25,441
Separation and redundancies	**-**	-
Other employee expenses	**-**	-
Subtotal employee expenses employees other than office holders	**144,425**	158,777
Total employee expenses	**684,619**	768,100

Note 4B: Capitation fees*

Capitation fees	**-**	-
Total capitation fees	**-**	-

Note 4C: Affiliation fees*

ACTU	**423,397**	410,309
International-Education International	**160,855**	169,691
Total affiliation fees/subscriptions	**584,252**	580,000

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

	2017	2016
	$	$

Note 4D: Administration expenses

Consideration to employers for payroll deductions*	-	-
Compulsory levies*	-	-
Fees/allowances - meeting and conferences*	-	-
Conference and meeting expenses*	**190,018**	164,501
Communication and website costs	**8,113**	10406
Office expenses	**68,330**	50,162
Other	-	-
Subtotal administration expense	**266,461**	225,069
Operating lease rentals:		
Minimum lease payments	**38,299**	38,327
Total administration expenses	**304,760**	263,396

Note 4E: Grants or donations*

Grants:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	-	-
Donations:		
Total paid that were $1,000 or less	-	-
Total paid that exceeded $1,000	**33,254**	20,000
Total grants or donations	**33,254**	20,000

Note 4F: Depreciation and amortisation

Depreciation		
Property, plant and equipment	**922**	964
Total depreciation	**922**	964

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

	2017 $	2016 $
Note 4G: Legal costs*		
Litigation	-	-
Other legal matters	-	-
Total legal costs	-	-
Note 4H: Other expenses		
Penalties - via RO Act or RO Regulations*	-	-
Campaign and Project Costs	-	27,511
Total other expenses	-	27,511

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

	2017	2016
	$	$

Note 5 Current Assets

Note 5A: Cash and Cash Equivalents

Cash at bank	**142,716**	200,883
Cash on hand	**200**	200
Short term deposits	**-**	-
Business Investment Account	**167,038**	164,143
Total cash and cash equivalents	**309,954**	365,226

Note 5B: Trade and Other Receivables

Receivables from other reporting unit[s]*		
[*list name and amount for each other reporting unit*]	**-**	-
Total receivables from other reporting unit[s]	**-**	-
Less provision for doubtful debts*		
[*list name and amount for each other reporting unit*]	**-**	-
Total provision for doubtful debts	**-**	-
Receivable from other reporting unit[s] (net)	**-**	-
Other receivables:		
GST receivable	**-**	59
Other trade receivables	**2,416**	2,416
Total other receivables	**-**	-
Total trade and other receivables (net)	**2,416**	2,475

Note 5C: Other Current Assets

Prepayment	**1,936**	5,665
Total other current assets	**1,936**	5,665

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

	2017 $	2016 $

Note 6 Non-current Assets –Property, Plant and equipment

Furniture and Fittings:		
at cost	**10,610**	9,546
accumulated depreciation	**(8,382)**	(8,138)
Total furniture and fittings	**2,228**	1,408

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 January		
Gross book value	**9,546**	9,546
Accumulated depreciation and impairment	**(8,138)**	(7,973)
Net book value 1 January	**1,408**	1,573
Additions:		
By purchase	**1,064**	-
Depreciation expense	**(244)**	(165)
Net book value 31 December	**2,228**	1,408
Net book value as of 31 December represented by:		
Gross book value	**10,610**	9,546
Accumulated depreciation and impairment	**(8,382)**	(8,138)
Net book value 31 December	**2,228**	1,408

Office equipment:		
at cost	**14,596**	13,596
accumulated depreciation	**(12,409)**	(11,731)
Total office equipment	**2,187**	1,865

Reconciliation of Opening and Closing Balances of Plant and Equipment

As at 1 January		
Gross book value	**13,596**	13,596
Accumulated depreciation and impairment	**(11,731)**	(10,932)
Net book value 1 January	**1,865**	2,664
Additions:		
By purchase	**1,000**	-
Depreciation expense	**(678)**	(799)
Other	**-**	-
Net book value 31 December	**2,187**	1,865
Net book value as of 31 December represented by:		
Gross book value	**14,596**	13,596
Accumulated depreciation and impairment	**(12,409)**	(11,731)
Net book value 31 December	**2,187**	1,865

	2017 $	2016 $

Note 7 Current Liabilities

Note 7A: Trade payables

Trade creditors and accruals	**23,024**	32,304
Operating lease rentals	-	-
Subtotal trade creditors	**23,024**	32,304
Payables to other reporting unit[s]*		
Other reporting unit	-	-
Subtotal payables to other reporting unit[s]	-	-
Total trade payables	**23,024**	32,304

Settlement is usually made within 30 days.

Note 7B: Other payables

Wages and salaries	-	-
Superannuation	**4,815**	13,566
Consideration to employers for payroll deductions*	-	-
Legal costs*		
Litigation	-	-
Other legal matters	-	-
Prepayments received/unearned revenue	-	-
GST payable	**24,084**	22,548
Other	-	-
Total other payables	**28,899**	36,114
Total other payables are expected to be settled in:		
No more than 12 months	-	-
More than 12 months	-	-
Total other payables	**51,923**	36,114

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

Note 8: Employee Provisions*

	2017 $	2016 $
Office Holders:		
Annual leave	**106,199**	80,759
Long service leave	**171,489**	253,987
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—office holders	**277,688**	334,746
Employees other than office holders:		
Annual leave	**7,810**	10,619
Long service leave	**7,407**	8,361
Separations and redundancies	**-**	-
Other	**-**	-
Subtotal employee provisions—employees other than office holders	**15,216**	18,980
Total employee provisions	**15,216**	18,980
Current	**285,498**	353,726
Non-Current	**7,407**	-
Total employee provisions	**292,905**	353,726

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

	2017 $	2016 $

Note 9 Equity

Note 9A: Funds

Retained earnings		
Balance as at start of year	**(45,505)**	9,755
Current year earnings/(loss)	**19,398**	(55,260)
Transferred out of reserve	**-**	-
Balance as at end of year	**(26,107)**	(45,505)

Note 9B: Other Specific disclosures - Funds*

Compulsory levy/voluntary contribution fund – if invested in assets		
	-	-
Other fund(s) required by rules		
Balance as at start of year	**-**	-
Transferred to reserve	**-**	-
Transferred out of reserve	**-**	-
Balance as at end of year	**-**	-

*As required by Reporting Guidelines. Items to be disclosed even if nil.

	2017 $	2016 $

Note 10 Cash Flow

Note 10A: Cash Flow Reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement:

Cash and cash equivalents as per:		
Cash flow statement	**309,954**	365,226
Balance sheet	**309,954**	365,226
Difference	**-**	-
Reconciliation of profit/(deficit) to net cash from operating activities:		
Profit/(deficit) for the year	**19,398**	(55,260)
Adjustments for non-cash items		
Depreciation/amortisation	**922**	964
Net write-down of non-financial assets	**-**	-
Fair value movements in investment property	**-**	-
Gain on disposal of assets	**-**	-
Changes in assets/liabilities		
(Increase)/decrease in net receivables	**59**	(5,718)
(Increase)/decrease in prepayments	**3,729**	-
Increase/(decrease) in trade creditor	**(9,280)**	13,648
Increase/(decrease) in other payables	**(7,215)**	(8,930)
Increase/(decrease) in employee provisions	**(60,820)**	33,073
Increase/(decrease) in other provisions	**-**	-
Net cash from (used by) operating activities	**(53,207)**	(22,223)

Note 10B: Cash flow information*

Cash inflows		
Inflows from Related Reporting Entities	**1,792,163**	1,604,988
Interest Received	**2,919**	3,712
Revenue from operations	**-**	159
Total cash inflows	**1,795,082**	1,608,859
Cash outflows		
Suppliers, Employees and ATO	**1,848,289**	1,631,082
Total cash outflows	**1,848,289**	1,631,082

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

	2017 $	2016 $

Note 11 Related Party Disclosures

Note 11A: Related Party Transactions for the Reporting Period

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

Capitation fees charged to branches and Associated Entities (Accrual basis)

Branches	Capitation Fees (Net of GST)	ACTU Levy
NSW/ACT	472,703	166,579
VIC/TAS	315,291	111,108
S.A.	58,702	20,686
QNT	277,670	97,850
W.A.	80,300	28,297

The following represents the total reimbursement of various expenses from and to other branches

- Payroll tax expense reimbursed to Queensland / Northern Territory Branch	9,077
- Conference expense reimbursed to Queensland / Northern Territory Br.	69
- Payroll tax expense reimbursed to NSW / ACT Branch	35,613
- Payroll tax expense owed to Queensland / Northern Territory branch	797

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

Short-term employee benefits		
Salary (including annual leave taken)	**520,730**	503,792
Annual leave accrued	**25,439**	(2,927)
Performance bonus	**-**	-
Total short-term employee benefits	**546,169**	500,865
Post-employment benefits:		
Superannuation	**76,523**	72,080
Total post-employment benefits	**76,523**	72,080
Other long-term benefits:		
Long-service leave	**(82,498)**	34,667
Total other long-term benefits	**(82,498)**	34,667
Total Remuneration to Key Management Personnel	**540,194**	607,612

	2017 $	2016 $

Note 11C: Transactions with key management personnel and their close family members

There were no loans or other transactions between the reporting entity and its key management employee during the reporting period.

Note 12 Remuneration of Auditors

Value of the services provided		
Financial statement audit services	**4,900**	4,000
Other services	**-**	200
Total remuneration of auditors	**4,900**	4,200

Note 13 Financial Instruments

Note 13A: Categories of Financial Instruments

Financial Assets

Cash and cash equivalent:		
Cash at bank	**309,954**	365,226
Total	**309,954**	365,226
Held-to-maturity investments:		
Bank deposits	**-**	-
Total	**-**	-
Receivables:		
Trade debtors	**2,415**	2,475
Total	**2,415**	2,475
Carrying amount of financial assets	**312,369**	367,701

Financial Liabilities

Other payables	**3,312**	9,778
Trade creditors	**2,430**	2,458
Total	**5,742**	12,236
Carrying amount of financial liabilities	**5,742**	12,236

	2017 $	2016 $
Note 13B: Net Income and Expense from Financial Assets		
Available for sale		
Interest revenue	**2,919**	3,712
Net gain/(loss) from available for sale	**2,919**	3,712
Total designated as fair value through profit and loss	**2,919**	3,712
Net gain/(loss) from financial assets	**2,919**	3,712

Note 13C: Net Income and Expense from Financial Liabilities

The net income/expense from financial liabilities not at fair value from profit and loss is $ 0 (2016:$.0).

	2017	2016
	$	$

Note 13D: Credit Risk

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

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

Financial assets		
Cash at bank	**309,954**	365,226
Other receivables	**2,416**	2,475
Total	**312,370**	367,701
Financial liabilities		
Trade and other payables	**5,742**	12,236
Total	**5,742**	12,236

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

	Not Past Due Nor Impaired 2017 $	Past due or impaired 2017 $	Not Past Due Nor Impaired 2016 $	Past due or impaired 2016 $
Financial assets				
Cash at bank	**309,954**	**-**	365,226	-
Other receivables	**2,416**	**-**	2,475	-
Financial liabilities				
Trade and other payables	**5,742**	**-**	12,236	-

The carrying amount of the Branch's financial assets best represents its maximum credit risk exposure.

Note 13E: Liquidity Risk

Liquidity risks the risk that the Branch will not be able to fund its obligations as they fall due. The following are the contractual maturities of financial assets and liabilities

Contractual maturities for financial liabilities 2017

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables(including estimated annual leave and deferred income)	**-**	**344,828**	**-**	**-**	**-**	**344,828**
Total	**-**	**344,828**	**-**	**-**	**-**	**344,828**
Cash and Cash Equivalents	**-**	**309,954**	**-**	**-**	**-**	**309,954**
Trade and Others Receivables	**-**	**4,352**	**-**	**-**	**-**	**4,352**
Total anticipated inflows	**-**	**314,306**	**-**	**-**	**-**	**314,306**
Net inflow/(Outflow) on financial instruments	**-**	**(30,521)**	**-**	**-**	**-**	**(30,521)**

Contractual maturities for financial liabilities 2016

	On Demand	< 1 year $	1– 2 years $	2– 5 years $	>5 years $	Total $
Trade and other payables(including estimated annual leave and deferred income)	-	422,144	-	-	-	4 22,144
Total	-	422,144	-	-	-	422,144
Cash and Cash Equivalents	-	365,226	-	-	-	3 65,226
Trade and Others Receivables	-	8,140	-	-	-	8,140
Total anticipated inflows	-	373,366	-	-	-	373,366

Note 13F: Market Risk

Interest rate risk

Reporting period whereby a future change in interest rates will affect future cash flows or the fair value of fixed assets. Such risk is managed through diversification of investments across asset classes.

Note 14 Fair Value Measurement

Note 14A: Financial Assets and Liabilities

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

The fair value of financial assets and liabilities is included at the amount which the instrument could be exchanged in a current transaction between willing parties. The following methods and assumptions were used to estimate the fair values:

- Fair values of the reporting unit's interest-bearing borrowings and loans are determined by using a discounted cash flow method. The discount rate used reflects the issuer's borrowing rate as at the end of the reporting period. The own performance risk as at [year-end date] was assessed to be insignificant.

- Fair value of available-for-sale financial assets is derived from quoted market prices in active markets.

- Long-term fixed-rate and variable-rate receivables/borrowings are evaluated by the Group based on parameters such as interest rates and individual credit worthiness of the customer. Based on this evaluation, allowances are taken into account for the expected losses of these receivables. As at 31 December 2017, the carrying amounts of such receivables, net of allowances, were not materially different from their calculated fair values.

The following table contains the carrying amounts and related fair values for the Independent Education Union of Australia's financial assets and liabilities:

	Carrying amount 2017 $	**Fair value 2017 $**	Carrying amount 2016 $	Fair value 2016 $
Financial Assets				
Cash at bank	**309,954**	**309,954**	365,226	365, 226
Short term deposits				
Trade debtors and receivables	**2,415**	**2,415**	2,475	2,475
Total	**312,369**	**312,369**	367,701	367,701
Financial Liabilities				
Other payables	**28,899**	**28,899**	36,114	36,114
Trade creditors	**23,024**	**23,024**	32,304	32,304
Total	**51,923**	**51,923**	68,418	68,418

Note 14B: Financial and Non-financial Assets and Liabilities Fair Value Hierarchy

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

Fair value hierarchy – 31 December 2017

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Financial assets		-	**309,954**	-
Total		-	**309,954**	-
Liabilities measured at fair value				
Financial liabilities		-	**51,923**	-
Total		-	**51,923**	-

Fair value hierarchy – 31 December 2016

	Date of valuation	Level 1	Level 2	Level 3
Assets measured at fair value		$	$	$
Financial assets		-	365,226	-
Total		-	365,226	-
Liabilities measured at fair value				
Payables		-	68,418	-
Total		-	68,418	-

(1) Quoted prices in active markets identical assets or liabilities (level 1);
(2) Inputs other than quoted prices included within level 1 that are observable for the asset or liability, wither directly (as prices) or indirectly (derived from prices) (level 2);
(3) Inputs for asset or liability that are not based on observable market data (unobservable inputs) (level 3)

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 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).