

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Operating Report for the period 1 January 2016 to 31 December 2016**

The Branch Executive (Committee of Management) of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch presents its report for the year ended 31 December 2016.

**Review of Principal Activities and Results**

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

- The provision of services to members;
- The representation of members before Fair Work Australia on award matters and disputes; and
- The 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 New South Wales/Australian Capital Territory, demonstrating member satisfaction of the support and advice currently provided to them.

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

**Significant Changes in Financial Affairs**

As part of an operational change, all staff of New South Wales Independent Education Union were administratively transferred to the Branch effective 1 January 2016 and the Branch assumed responsibility for all expenses in relation to providing services to members and for collecting membership subscription revenue as from 1 July 2016. The New South Wales Independent Education Union would engage the Branch to provide staff support as and when required and subject to a service agreement.

The reporting unit continued to engage in its principal activities, the result of which are disclosed in the attached financial statements.

**Right of Members to Resign**

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

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

John Quessy	Branch Secretary	Alternative Director of NGS Super Pty Ltd
Gloria Taylor	Branch Deputy Secretary	Director of NGS Super Pty Ltd
Chris Wilkinson	President	Director of NGS Super Pty Ltd

The criterion for being a trustee or director is that officer or employee is an officer or employee of the Branch.

**Number of Members**

The number of members recorded at the end of the financial year was 31,950.

**Number of Employees**

The number of employees (on a full time equivalent basis) at the end of the financial year was 71.

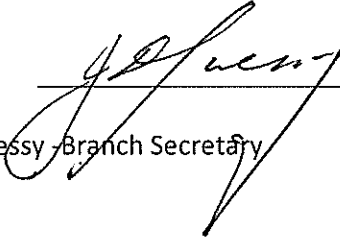
**Names of Committee of Management Members and the Periods Held During the Financial Year**

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

John Quessy	Branch Secretary	Full year
Gloria Taylor	Branch Deputy Secretary	Full year
Carol Matthews	Branch Assistant Secretary	Full year
Mark Northam	Branch Assistant Secretary	Full year
Chris Wilkinson	President	Full year
Louise Glase	Vice President Non-Systemic	Full year
Bernadette Baker	Vice President Systemic	Full year
Gabrielle Connell	Vice President Early Childhood Services	Full year
Carolyn Collins	Vice President Support Staff	Full year
Leah Godfrey	Vice President ACT	Full year
Marie MacTavish	Financial Officer	Full year
Peter Moore	Financial Officer	Full year
Marty Fitzpatrick	General Executive Member	Full year
Michael Hagan	General Executive Member	Full year
Ralph Hunt	General Executive Member	Full year
Denise McHugh	General Executive Member	Full year
Patricia Murnane	General Executive Member	Full year
Patrick Devery	General Executive Member	Full year
John O'Neill	General Executive Member	Full year
Ann Rogers	General Executive Member	Full year
James Jenkins – Flint	General Executive Member	Full year
Tina Ruello	General Executive Member	Full year

Date: 3rd March 2017

Signature of designated officer:



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Name of designated officer: John Quesy - Branch Secretary

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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**Committee of Management Statement  
for the year ended 31 December 2016**

On the 3rd March 2017 the Committee of Management (Branch Executive) of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch (the "IEUA NSW/ACT Branch") passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2016:

The IEUA NSW/ACT Branch declares that in its opinion:

- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager;
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
- (e) during the financial year to which the GPFR relates and since the end of that year:
  - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (ii) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - (iii) the financial records of the reporting unit have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 (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;
  - (v) where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - (iv) where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
- (f) no revenue has been derived from undertaking recovery of wages activity during the reporting period.

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

Date: 3rd March 2017

Signature of prescribed designated officer: \_\_\_\_\_

Name of prescribed designated officer: John Quessy -Branch Secretary

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Statement of Comprehensive Income  
for the year ended 31 December 2016**

	Notes	<u>2016</u> \$	<u>2015</u> \$
<b>Revenue</b>			
Membership subscription	3A	5,909,381	-
Capitation fees	3B	-	-
Levies	3C	-	-
Interest	3D	422	-
Other revenue	3E	5,408,001	615,764
<b>Total revenue</b>		<u><b>11,317,804</b></u>	<u><b>615,764</b></u>
<b>Other Income</b>			
Grants and/or donations	3F	-	-
<b>Total other income</b>		<u>-</u>	<u>-</u>
<b>Total income</b>		<u><b>11,317,804</b></u>	<u><b>615,764</b></u>
<b>Expenses</b>			
Employee expenses	4A	9,016,529	-
Capitation fees	4B	474,422	449,542
Affiliation fees	4C	227,279	106,822
Administration expenses	4D	1,140,808	57,600
Grants or donations	4E	2,000	-
Finance costs	4F	14,315	-
Legal costs	4G	123,790	-
Audit fees	11	3,600	1,800
Other expenses	4H	437,464	-
<b>Total expenses</b>		<u><b>11,440,207</b></u>	<u><b>615,764</b></u>
<b>Surplus/ (deficit) for the year</b>		<u><b>(122,403)</b></u>	<u><b>0</b></u>
<b>Other Comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u><b>(122,403)</b></u>	<u><b>0</b></u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Statement of Financial Position  
as at 31 December 2016**

	NOTES	<u>2016</u>	<u>2015</u>
		\$	\$
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash at Bank	5A	1,260,335	11,142
Account Receivables	5B	3,097,994	-
Prepayments and Instalments	5C	33,719	-
<b>Total Current Assets</b>		<u><b>4,392,048</b></u>	<u><b>11,142</b></u>
Non-Current Assets		-	-
<b>Total Non-current Liabilities</b>		-	-
<b>TOTAL ASSETS</b>		<u><b>4,392,048</b></u>	<u><b>11,142</b></u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Accounts Payable	6A	694,774	-
Other Payables	6B	674,572	-
Employee Provisions	7	1,170,246	-
<b>Total Current Liabilities</b>		<u><b>2,539,592</b></u>	-
<b>Non-Current Liabilities</b>			
Employee Provisions	7	1,963,718	-
<b>Total Non-current Liabilities</b>		<u><b>1,963,718</b></u>	-
<b>TOTAL LIABILITIES</b>		<u><b>4,503,309</b></u>	-
<b>NET ASSETS</b>		<u><b>(111,261)</b></u>	<u><b>11,142</b></u>
<b>EQUITY</b>			
Retained Earnings/(Accumulated Deficit)		(111,261)	11,142
<b>TOTAL EQUITY</b>		<u><b>(111,261)</b></u>	<u><b>11,142</b></u>

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



**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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**Statement of Changes in Equity  
as at 31 December 2016**

	Notes	General funds \$	Retained earnings \$	Total equity \$
<b>Balance as at 1 January 2014</b>		-	11,142	11,142
Profit for the year		-	-	-
Other comprehensive income for the year		-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance as at 31 December 2015</b>		-	<b>11,142</b>	<b>11,142</b>
Deficit for the year		-	(122,403)	(122,403)
Other comprehensive income for the year		-	-	-
Transfer from retained earnings		-	-	-
<b>Closing balance as at 31 December 2016</b>		-	<b>(111,261)</b>	<b>(111,261)</b>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Statement of Cash Flows  
for the year ended 31 December 2016**

	Notes	<u>2016</u> \$	<u>2015</u> \$
<b>OPERATING ACTIVITIES</b>			
<b>Cash received</b>			
Receipts from other reporting units/controlled entity(s)	8B	5,232,667	615,764
Interest		422	-
Other		<u>6,084,716</u>	<u>-</u>
		<b>11,317,804</b>	
<b>Cash used</b>			
Employees		(8,590,074)	-
Suppliers		(772,294)	(615,764)
Payment to other reporting units/controlled entity(s)	8B	(706,243)	-
<b>Net cash from (used by) operating activities</b>	<b>8A</b>	<b><u>1,249,193</u></b>	<b><u>0</u></b>
<b>INVESTING ACTIVITIES</b>			
<b>Cash received</b>			
Proceeds from sale of plant and equipment		-	-
Proceeds from sale of land and buildings		-	-
Other		<u>-</u>	<u>-</u>
<b>Cash used</b>			
Purchase of plant and equipment		-	-
Purchase of land and buildings		-	-
Other		<u>-</u>	<u>-</u>
<b>Net cash from (used by) investing activities</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>FINANCING ACTIVITIES</b>			
<b>Cash received</b>			
Contributed equity		-	-
Other		<u>-</u>	<u>-</u>
<b>Cash used</b>			
Repayment of borrowings		-	-
Other		<u>-</u>	<u>-</u>
<b>Net cash from (used by) financing activities</b>		<b><u>-</u></b>	<b><u>-</u></b>
<b>Net increase (decrease) in cash held</b>		<b><u>1,249,193</u></b>	<b><u>0</u></b>
Cash & cash equivalents at the beginning of the reporting period		<u>11,142</u>	<u>11,142</u>
<b>Cash &amp; cash equivalents at the end of the reporting period</b>	<b>5A</b>	<b><u>1,260,335</u></b>	<b><u>11,142</u></b>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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for the year ended 31 December 2016**

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**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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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 New South Wales/Australian Capital Territory Branch is a not for profit entity.

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

**1.2 Comparative Amounts**

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

**1.3 Accounting Judgements and Estimates**

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

**(a) Critical Accounting Estimates and Assumptions**

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

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

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

**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.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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**1.4 New Australian Accounting Standards**

**Accounting Standards Issued But Not Yet Effective**

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

**1.5 Revenue**

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

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

Donation income is recognised when it is received. Interest revenue is recognised as received.

**1.6 Affiliations, Capitation Fees and Levies**

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

**1.7 Employee Benefits**

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave 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) 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 branch in respect of services provided by employees up to reporting date.

**1.8 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 4 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

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**1.9 Contingent Liabilities and Contingent Assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position but are reported in the relevant notes. They may arise from uncertainty as to the existence of a liability or asset or represent an existing liability or asset in respect of which the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain, and contingent liabilities are disclosed when settlement is greater than remote.

**1.10 Impairment of Financial and Non-Financial Assets**

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

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

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

**1.11 Taxation**

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

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

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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**Note 2 Events after the reporting period**

There were no events that occurred after 31 December 2016, and/or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities .

	<b>2016</b>	<b>2015</b>
	<b>\$</b>	<b>\$</b>
<b>Note 3 Income</b>		
<b>Note 3A: Membership subscription</b>		
As disclosed in Note 10A, as part of an operational change during the year the membership fees became payable to the IEUA NSW/ACT Branch as from 1 July 2016. Prior to this the membership fees were payable to the NSW IEU.		
Membership fees-Payroll deduction	4,667,197	-
Membership fees-Non payroll deduction	1,242,184	-
<b>Total membership subscription</b>	<b><u>5,909,381</u></b>	<b><u>-</u></b>
<b>Note 3B: Capitation fees*</b>		
	-	-
<b>Total capitation fees</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Note 3C: Levies*</b>		
	-	-
<b>Total levies</b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Note 3D: Interest</b>		
Deposits	422	-
Loans	-	-
<b>Total interest</b>	<b><u>422</u></b>	<b><u>-</u></b>
<b>Note 3E: Other revenue</b>		
Service Fee Received		
-New South Wales Independent Education Union	5,232,667	615,764
Publications/ Subscriptions	65,176	-
Advertising	10,601	-
Seminars & Conferences	22,832	-
Private Cars Use Reimbursement	1,289	-
Sitting Fees	53,610	-
Other Income	21,826	-
<b>Total other revenue</b>	<b><u>5,408,001</u></b>	<b><u>615,764</u></b>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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	2016	2015
	\$	\$
<b>Note 3F: Grants or donations*</b>		
Grants	-	-
Donations	-	-
<b>Total grants or donations</b>	<u>-</u>	<u>-</u>
<b>Note 4 Expenses</b>		
<b>Note 4A: Employee expenses</b>		
<b>Holders of office:</b>		
Wages and salaries	1,857,431	-
Superannuation	372,771	-
Leave and other entitlements	(10,238)	-
Separation and redundancies	-	-
Other employee expenses	112,345	-
<b>Subtotal employee expenses holders of office</b>	<u>2,332,309</u>	<u>-</u>
<b>Employees other than office holders:</b>		
Wages and salaries	5,555,880	-
Superannuation	557,688	-
Leave and other entitlements	204,540	-
Separation and redundancies	22,159	-
Other employee expenses	343,953	-
<b>Subtotal employee expenses employees other than office holders</b>	<u>6,684,220</u>	<u>-</u>
<b>Total employee expenses</b>	<u>9,016,529</u>	<u>-</u>
<b>Note 4B: Capitation fees</b>		
Independent Education Union of Australia	474,422	449,542
<b>Total capitation fees</b>	<u>474,422</u>	<u>449,542</u>
<b>Note 4C: Affiliation fees</b>		
Independent Education Union of Australia	165,889	106,822
Union NSW	38,044	-
Union ACT	8,753	-
Welfare Right Centre	13,838	-
Newcastle Trade Hall Council	755	-
<b>Total affiliation fees/subscriptions</b>	<u>227,279</u>	<u>106,822</u>

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



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	2016	2015
	\$	\$
<b>Note 4D: Administration expenses</b>		
Consideration to employers for payroll deductions	21,576	-
Compulsory levies:		
- Australian Council of Trade Unions - IR Levy	4,542	57,600
Fees/allowances - meeting and conferences	264,043	-
Conference and meeting expenses	196,187	-
Contractors/consultants	29,843	-
Property expenses	112,540	-
Office expenses	149,443	-
Information communications technology	165,047	-
Other	178,189	-
<b>Subtotal administration expenses</b>	<b><u>1,121,410</u></b>	<b><u>57,600</u></b>
Operating lease rentals:		
Lease payments	19,398	-
<b>Total administration expenses</b>	<b><u>1,140,808</u></b>	<b><u>57,600</u></b>
<b>Note 4E: Grants or donations</b>		
Grants:		
Total paid that were \$1,000 or less	-	-
Total paid that exceeded \$1,000	-	-
Donations:		
Total paid that were \$1,000 or less	2,000	-
Total paid that exceeded \$1,000	-	-
<b>Total grants or donations</b>	<b><u>2,000</u></b>	<b><u>-</u></b>
<b>Note 4F: Finance costs</b>		
Bank & Credit Card Charges	14,222	-
Interest paid	93	-
<b>Total finance costs</b>	<b><u>14,315</u></b>	<b><u>-</u></b>
<b>Note 4G: Legal costs</b>		
Litigation	123,534	-
Other legal matters	256	-
<b>Total legal costs</b>	<b><u>123,790</u></b>	<b><u>-</u></b>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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	2016	2015
	\$	\$
<b>Note 4H: Other expenses</b>		
Penalties - via RO Act or RO Regulations*	-	-
Branch Expenditure	60,693	-
Seminars / Conferences	95,504	-
Campaign Costs/Fighting Fund		
-Kopystop Pty Ltd		
- NewsExtra Catholic System Claim	6,930	-
Union Training Courses & Other Services	25,646	-
Teacher Exchange & Member Benefits	768	-
Journal and Publication Costs	234,140	-
Other expenses	13,783	-
<b>Total other expenses</b>	<u><u>437,464</u></u>	<u><u>-</u></u>
<b>Note 5</b>		
<b>Current Assets</b>		
<b>Note 5A: Cash and Cash Equivalents</b>		
Cash at bank	1,258,635	11,142
Cash on hand	1,700	-
<b>Total cash and cash equivalents</b>	<u><u>1,260,335</u></u>	<u><u>11,142</u></u>
<b>Note 5B: Trade and Other Receivables</b>		
<b>Receivables from other reporting unit[s]**</b>		
New South Wales Independent Education Union	2,964,493	-
<b>Total receivables from other reporting unit[s]</b>	<u><u>2,964,493</u></u>	<u><u>-</u></u>
<b>Less provision for doubtful debts*</b>	-	-
<b>Total provision for doubtful debts</b>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Receivable from other reporting unit[s] (net)</b>	<u><u>-</u></u>	<u><u>-</u></u>
<b>Other receivables:</b>		
GST receivable from the Australian Taxation Office	122,170	-
Other trade receivables	11,331	-
<b>Total other receivables</b>	<u><u>133,501</u></u>	<u><u>-</u></u>
<b>Total trade and other receivables (net)</b>	<u><u>3,097,994</u></u>	<u><u>-</u></u>

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

\* \*The NSW IEU transferred all its employees to the IEUA NSW/ACT Branch on 1 January 2016. As part of this IEUA NSW/ACT Branch assumed the whole of the NSW IEU employee entitlements liability accrued to the date of the transfer for a consideration of \$2,939,663.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

	2016	2015
	\$	\$
<b>Note 5C: Other Current Assets</b>		
Prepayment	14,549	-
FBT instalment	19,170	-
<b>Total other current assets</b>	<u><u>33,719</u></u>	<u><u>-</u></u>
<b>Note 6 Current Liabilities</b>		
<b>Note 6A: Trade payables</b>		
Trade creditors and accruals	654,531	-
Operating lease rentals	4,335	-
<b>Subtotal trade creditors</b>	<u><u>658,866</u></u>	<u><u>-</u></u>
<b>Payables to other reporting unit</b>		
New South Wales Independent Education Union	35,908	-
<b>Subtotal payables to other reporting unit</b>	<u><u>35,908</u></u>	<u><u>-</u></u>
<b>Total trade payables</b>	<u><u>694,774</u></u>	<u><u>-</u></u>
Settlement is usually made within 30 days.		
<b>Note 6B: Other payables</b>		
Consideration to employers for payroll deductions*	-	-
Legal costs*		
- Litigation	-	-
- Other legal matters	-	-
Prepayments received/unearned revenue	339,194	-
GST payable	329,997	-
Paid Parental Leave Payable	5,381	-
<b>Total other payables</b>	<u><u>674,572</u></u>	<u><u>-</u></u>
Total other payables are expected to be settled in:		
No more than 12 months	674,572	-
More than 12 months	-	-
<b>Total other payables</b>	<u><u>674,572</u></u>	<u><u>-</u></u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

	2016	2015
	\$	\$
<b>Note 7 Provisions</b>		
<b>Note 7A: Employee Provisions</b>		
<b>Office Holders:</b>		
Annual leave	449,254	-
Long service leave	829,666	-
<b>Subtotal employee provisions—office holders</b>	<u>1,278,920</u>	<u>-</u>
<b>Employees other than office holders:</b>		
Annual leave	720,992	-
Long service leave	1,134,052	-
Separations and redundancies	-	-
Other	-	-
<b>Subtotal employee provisions—employees other than office holders</b>	<u>1,855,043</u>	<u>-</u>
<b>Total employee provisions</b>	<u><u>3,133,963</u></u>	<u><u>-</u></u>
Current	1,170,246	-
Non Current	1,963,718	-
<b>Total employee provisions</b>	<u><u>3,133,963</u></u>	<u><u>-</u></u>

**Note 8 Cash Flow**

**Note 8A: Cash Flow Reconciliation**

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

**Cash and cash equivalents as per:**

Cash flow statement	1,260,335	11,142
Balance sheet	1,260,335	11,142
<b>Difference</b>	<u>-</u>	<u>-</u>

**Reconciliation of surplus/(deficit) to net cash from operating activities:**

Surplus/(deficit) for the year	(122,403)	-
<b>Adjustments for non-cash items</b>		
Depreciation/amortisation	-	-
Net write-down of non-financial assets	-	-
Fair value movements in investment property	-	-
Gain on disposal of assets	-	-
<b>Changes in assets/liabilities</b>		
(Increase)/decrease in net receivables	(3,097,995)	-
(Increase)/decrease in prepayments	(33,719)	-
Increase/(decrease) in supplier payables	694,774	-
Increase/(decrease) in other payables and unearned income	674,572	-
Increase/(decrease) in employee provisions	3,133,963	-
<b>Net cash from (used by) operating activities</b>	<u><u>1,249,193</u></u>	<u><u>-</u></u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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	2016	2015
	\$	\$
<b>Note 8B: Cash flow information</b>		
<b>Cash inflows</b>		
New South Wales Independent Education Union	5,232,667	615,764
<b>Total cash inflows</b>	<u><u>5,232,667</u></u>	<u><u>615,764</u></u>
<b>Cash outflows</b>		
Independent Education Union of Australia	640,311	-
Union NSW	38,044	-
Union ACT	8,752	-
Welfare Right Centre	13,838	-
Newcastle Trade Hall Council	756	-
- Australian Council of Trade Unions - IR Levy	4,542	57,600
<b>Total cash outflows</b>	<u><u>706,243</u></u>	<u><u>57,600</u></u>

**Note 9 Contingent Liabilities, Assets and Commitments**

**Note 9A: Commitments and Contingencies**

**Operating lease commitments—as lessee**

- a) 7 Fuji Xerox photocopying machines from BOQ Equipment Finance Limited and expires in August 2019. The average remaining term on the lease is 32 months.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:

Within one year	38,400	-
After one year but not more than five years	64,000	-
More than five years	-	-
	<u><u>102,400</u></u>	<u><u>-</u></u>

- b) 4 HP printers from SE Rental Pty Ltd and expires in March 2018. The average remaining term on the lease is 15 months.

Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:

Within one year	6,264	-
After one year but not more than five years	1,566	-
More than five years	-	-
	<u><u>7,830</u></u>	<u><u>-</u></u>

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	2016	2015
	\$	\$
<b>Note 9A: Commitments and Contingencies (continued)</b>		
<b>Operating lease commitments—as lessee</b>		
c) 1 Konica Minolta copier from Macquarie Rentals and expires in October 2020. The average remaining term on the lease is 46 months.		
Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:		
Within one year	2,544	-
After one year but not more than five years	7,208	-
More than five years	-	-
	<u>9,752</u>	<u>-</u>
	<u>9,752</u>	<u>-</u>
d) A new Fuji Xerox photocopier lease will start from April 2017 and expires in March 2022. The average remaining term on this lease is 60 months.		
Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:		
Within one year	3,412	-
After one year but not more than five years	18,196	-
More than five years	1,137	-
	<u>22,745</u>	<u>-</u>
	<u>22,745</u>	<u>-</u>
e) Rental agreement of Lismore branch office renewed on 1 September 2016 and expires on 31 August 2018. The average remaining term on this lease is 20 months.		
Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:		
Within one year	43,712	-
After one year but not more than five years	29,623	-
More than five years	-	-
	<u>73,335</u>	<u>-</u>
	<u>73,335</u>	<u>-</u>
f) All 4 BIZ contract with Telstra expires on 16 October 2017, the average remaining term is 9 months and 16 days.		
Future minimum rentals payable under non-cancellable operating leases as at 31 December 2016 are as follows:		
Within one year	225,000	-
After one year but not more than five years	-	-
More than five years	-	-
	<u>225,000</u>	<u>-</u>
	<u>225,000</u>	<u>-</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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**Note 10 Related Party Disclosures**

**Note 10A: Related Party Disclosures**

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

During the year the NSW IEU Council and the IEUA NSW/ACT Branch Executive determined that the industrial operations of the NSW IEU should transition to the IEUA NSW/ACT Branch prior to the Fair Work Commission's withdrawal of transitional recognition provisions on 1 January 2017. As a consequence, staff of NSW IEU were administratively transferred to IEUA NSW/ACT Branch effective 1 January 2016 and membership fees became payable to IEUA NSW/ACT as from 1 July 2016. This operational change has been effected at this time to enable an orderly and efficient transition of services and financial management prior to the legislated end of transitional recognition of NSW IEU. All fixed assets including freehold property, plant and equipment and motor vehicles continued to be owned and maintained by NSW IEU.

This operational change has resulted in the IEUA NSW/ACT Branch providing staff and administrative services to the NSW IEU and the NSW IEU providing to IEUA NSW/ACT Branch full use and access to all the NSW IEU fixed assets. A collaborative relationship exists between NSW IEU and IEUA NSW/ACT Branch and it is noted and endorsed at Branch executive that IEUA NSW/ACT Branch provides staffing and other support to members of the NSW IEU at an appropriate and agreed cost to the NSW IEU, and NSW IEU provides fixed assets to the staff of the Branch at an appropriate and agreed cost to the IEUA NSW/ACT Branch.

All payments for services between NSW IEU and IEUA NSW/ACT Branch are made pursuant to a service agreement which provides payment terms to include set-off arrangements whereby fees payable to each other can be settled on a net amount basis payable from one party to the other.

**Note 10B: Related Party Transactions for the Reporting Period**

In addition to disclosures outlined in Note 10A the following table provides details of transactions that have been entered into with related parties for the relevant year.

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Note 10B: Related Party Transactions for the Reporting Period (continued)**

	2016	2015
	\$	\$
<b>New South Wales Independent Education Union</b>		
<b>Revenue</b>		
Service Fee Received	5,232,667	615,764
<b>Amounts Owed By</b>		
Trade Receivables	2,964,493	-
<b>Amounts Owed To</b>		
Other Payables	35,908	-
<b>Independent Education Union of Australia</b>		
<b>Expenses</b>		
Affiliation	474,422	
Capitation Fee	165,889	
ACTU- IR Levy	4,542	57,600
<b>Terms and Conditions of Transactions with Related Parties</b>		

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

**Note 10C: Key Management Personnel Remuneration for the Reporting Period**

<b>Short-term employee benefits</b>		
Salary (including annual leave taken)	1,857,431	-
Annual leave accrued	(29,844)	-
Performance bonus	-	-
Other	112,345	-
<b>Total short-term employee benefits</b>	<u><u>1,939,933</u></u>	<u><u>-</u></u>
<b>Post-employment benefits:</b>		
Superannuation	372,771	-
<b>Total post-employment benefits</b>	<u><u>372,771</u></u>	<u><u>-</u></u>



**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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**Note 10C: Key Management Personnel Remuneration for the Reporting Period (continued)**

<b>Other long-term benefits:</b>		
Long-service leave	19,605	-
<b>Total other long-term benefits</b>	<u>19,605</u>	<u>-</u>
<b>Termination benefits</b>	-	-
<b>Total</b>	<u>2,332,309</u>	<u>-</u>

These key management personnel receive the above remuneration as employees of the Branch.

**Note 11 Remuneration of Auditors**

<b>Value of the services provided</b>		
Financial statement audit services	3,600	1,800
Other services	-	-
<b>Total remuneration of auditors</b>	<u>3,600</u>	<u>1,800</u>

No other services were provided by the auditors of the financial statements.

**Note 12 Financial Instruments**

The committee of management meets on a regular basis to analyse the financial risk exposure with respect to most recent economic conditions and forecasts and to minimise the potential adverse effects on the financial performance of the Branch. Risk management policies including credit risk, liquidity risk are reviewed regularly. The carrying amount of the financial assets is reviewed annually to identify any impairment of financial assets.

**Note 12A: Categories of Financial Instruments**

<b>Financial Assets</b>		
<b>Held-to-maturity investments:</b>		
Cash at bank	1,258,635	11,143
Cash on hand	1,700	-
<b>Total</b>	<u>1,260,335</u>	<u>11,143</u>
<b>Loans and receivables:</b>		
Trade receivables	3,097,993	-
Other receivables	-	-
<b>Total</b>	<u>3,097,993</u>	<u>-</u>
<b>Carrying amount of financial assets</b>	<u>4,358,329</u>	<u>11,143</u>

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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	2016	2015
	\$	\$
<b>Note 12A: Categories of Financial Instruments (continued)</b>		
<i>Financial Liabilities</i>		
Other financial liabilities:		
Trade payables	1,369,346	-
Other payables	3,133,963	-
<b>Total</b>	<u>4,503,309</u>	<u>-</u>
<b>Carrying amount of financial liabilities</b>	<u>4,503,309</u>	<u>-</u>

**Note 12B: Net Income and Expense from Financial Assets**

<b>Held-to-maturity</b>		
Interest revenue	422	-
<b>Net gain/(loss) held-to-maturity</b>	<u>422</u>	<u>-</u>

The net income/expense from financial assets not at fair value from profit and loss is \$422 (2015: nil).

**Note 12C: Net Income and Expense from Financial Liabilities**

<b>At amortised cost</b>		
Interest expense	93	-
<b>Net gain/(loss) financial liabilities - at amortised cost</b>	<u>93</u>	<u>-</u>

The net income/expense from financial liabilities not at fair value from profit and loss is \$93 (2015: nil).

**Note 12D: Credit Risk**

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

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

Cash and cash equivalents	<u>1,260,335</u>	<u>11,142</u>
The cash and cash equivalents are held in a high quality Australian financial institution.		
Trade & Other Receivables	<u>3,097,994</u>	<u>-</u>

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

**THE INDEPENDENT EDUCATION UNION OF AUSTRALIA  
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**Note 12E: Liquidity Risk**

**Contractual maturities for financial liabilities 2016**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables & Accruals	-	2,539,592	1,963,718		-	4,503,309
<b>Total</b>	<b>-</b>	<b>2,539,592</b>	<b>1,963,718</b>	<b>-</b>	<b>-</b>	<b>4,503,309</b>

**Maturities for financial liabilities 2015**

	On Demand	< 1 year \$	1– 2 years \$	2– 5 years \$	>5 years \$	Total \$
Trade payables & Accruals	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Note 12F: Market Risk**

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

**Note 12G: Interest Rate Risk**

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

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**Note 12G: Interest Rate Risk (continued)**

<b>31 December 2016</b>	<b>Floating Interest Rate</b>	<b>Non Interest Bearing</b>	<b>Total</b>
	\$	\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	1,260,335	-	1,260,335
Receivables	-	3,097,994	3,097,994
	<u>1,260,335</u>	<u>3,097,994</u>	<u>4,358,329</u>
Weighted average interest rate	0.01%		
<b>Financial Liabilities</b>			
Payables	-	1,369,345	1,369,345
<b>Net Financial Assets (Liabilities)</b>	<u><u>1,260,335</u></u>	<u><u>1,728,649</u></u>	<u><u>2,988,984</u></u>
<b>31 December 2015</b>	<b>Floating Interest Rate</b>	<b>Non Interest Bearing</b>	<b>Total</b>
	\$	\$	\$
<b>Financial Assets</b>			
Cash and cash equivalents	11,142	-	11,142
Receivables	-	-	-
	<u>11,142</u>	<u>-</u>	<u>11,142</u>
Weighted average interest rate	0.01%		
<b>Financial Liabilities</b>			
Payables	-	-	-
<b>Net Financial Assets (Liabilities)</b>	<u><u>11,142</u></u>	<u><u>-</u></u>	<u><u>11,142</u></u>
<b>Sensitivity Analysis</b>	<b>Carrying Amount</b>	<b>+50% (50 basis points) profit</b>	<b>-50% (50 basis points) Loss</b>
	\$	\$	\$
<b>2016</b>			
Cash Assets	<u>1,260,335</u>	<u>63</u>	<u>63</u>
<b>2015</b>			
Cash Assets	<u>11,142</u>	<u>1</u>	<u>1</u>

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**Note 13 Fair Value Measurement**

**Fair value estimation**

Cash and cash equivalents, trade and other receivables, and trade and other payables are all short-term instruments in nature whose carrying amount is a reasonable approximation of fair value.

The Branch does not have any assets which were measured at fair value during the period.

**Note 14 Going Concern**

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

**Note 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 General Manager:

- (1) A member of a reporting unit, or the General Manager, 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 Contingent Liabilities, Assets and Commitments**

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

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NEW SOUTH WALES/AUSTRALIAN CAPITAL TERRITORY BRANCH**

**Note17 Additional Branch Information**

The registered office of the Branch is situated at:

485-501 Wattle Street  
Ultimo NSW 2007

## **Independent Audit Report**

To the members of Independent Education Union of Australia New South Wales/Australian Capital Territory Branch

### **Report on the Financial Report**

We have audited the accompanying financial report of Independent Education Union of Australia New South Wales/Australian Capital Territory Branch which comprises the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and Statement of Cash Flows, accompanying notes to these financial statements and the Committee of Management Statement for the year ended 31 December 2016.

### **Responsibility for the Financial Report**

The Committee of Management and the Branch Secretary of the Independent Education Union of Australia New South Wales/Australian Capital Territory Branch are responsible for the preparation and fair presentation of the financial reports in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009 and other mandatory financial reporting requirements in Australia.

This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards and with reference to the Fair Work (Registered Organisations) Act 2009. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessment, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Committee of Management and the Branch Secretary, as well as evaluating the overall presentation of the financial statements.

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

### **Independence**

In conduct our audit, we have complied with the independence requirement of Australian professional ethical pronouncement and the Fair Work (Registered Organisations) Act 2009.

### **Auditor's Opinion**

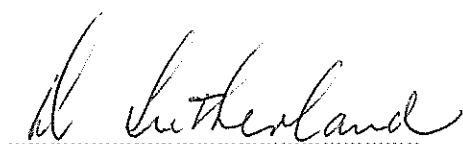
We state that the financial report has been audited and in our opinion, the financial report presents fairly, in all material respects, the financial position of the Independent Education Union of Australia New South Wales/Australian Capital Territory as at 31 December 2016, and its financial performance and cash flows for the year ended in accordance with:

- 1) the relevant Australian Accounting Standards; and
- 2) the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009.

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

We declare that the auditor is an approved auditor as provided in the Fair Work (Registered Organisations) Act 2009 and is a fellow of The Institute of Chartered Accountants in Australia with a current Public Practice Certificate.

**Sutherland and Company**  
**Chartered Accountants and**  
**Registered Company Auditor 3835**



.....  
D W Sutherland, AM JP BA  
Economic & Financial Studies FCA

**Date: 17 March 2017**