



QUEENSLAND
TEACHERS' UNION
OF EMPLOYEES

Financial Statements

2017

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COMMITTEE OF MANAGEMENT'S CERTIFICATE

In accordance with Sections 763 and 765 of the Industrial Relations Act 2016 and the Guidelines issued under Section 765, we Kevin Bates and Graham Moloney being two members of the Executive of the Queensland Teachers' Union of Employees (the Union), do state that in the opinion of the Executive:

- (i) the attached financial statements and notes comply with the Australian Accounting Standards;
- (ii) the attached financial statements and notes comply with the reporting guidelines of the Registrar;
- (iii) the attached 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 as at 31 December 2017;
- (iv) 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;
- (v) during the financial year ended 31 December 2017 and since the end of that year:
 - (a) meetings of the committee of management were held in accordance with the rules of the organisation; and
 - (b) the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation; and
 - (c) the financial records of the reporting unit have been kept and maintained in accordance with the Act; and
 - (d) where information has been sought in any request by a member of the reporting unit or Registrar duly made under section 787 of the Act, that information has been provided to the member or Registrar; and
 - (e) where any order for inspection of financial records has been made by the Queensland Industrial Relations Commission under section 788 of the Act, there has been compliance.
- (f) The organisation has complied with the requirements under section 741 of the Act, Financial Management Training, and in so doing confirm the following:

Name	Role in Organisation	Date recently completed training
Leah Olsson	Executive	13 November 2017
Andrew Thompson	Executive	13 November 2017
Natalie Clarke	Executive	13 November 2017
Craig Wood	Executive	13 November 2017
Scott Tibaldi	Executive	7 December 2015
Cresta Richardson	Trustee/Executive	13 November 2017
Kerry O'Connor	Executive	13 November 2017
Anna Kahler	Executive	13 November 2017
Nikki Roos	Executive	13 November 2017
Penny Taylor	Executive	13 November 2017
Peter Darben	Executive	13 November 2017
Andrew Beattie	Executive	7 December 2015
Perry Anderson	Executive	7 December 2015
Leah Mertens	Officer	13 November 2017
David Terauds	Officer	13 November 2017
Kevin Bates	Senior Officer	13 November 2017
Kate Ruttiman	Senior Officer	22 November 2015
Brendan Crotty	Senior Officer	13 November 2017

COMMITTEE OF MANAGEMENT'S CERTIFICATE continued

Name	Role in Organisation	Date recently completed training
Graham Moloney	Senior Officer	13 November 2017
Sam Pidgeon	Senior Officer	13 November 2017
Jenny Swadling	Senior Officer	7 December 2015
Anne Rathmell	Trustee	7 December 2015
Don Mengel	Trustee	13 November 2017
Allan Cook	Trustee/Executive	13 November 2017

Signed in accordance with a resolution of the Executive.



K Bates



G Moloney

Brisbane, 14 May 2018

INDEPENDENT AUDITOR'S REPORT



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Independent auditor's report to the members of Queensland Teachers' Union of Employees

Opinion

We have audited the financial report of Queensland Teachers' Union of Employees (the "Union"), which comprises the statement of financial position as at 31 December 2017, the statement of comprehensive income, statement of changes in accumulated funds and reserves and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Committee of Management's certificate.

In our opinion the accompanying financial report presents fairly the financial position of Queensland Teachers' Union of Employees as at 31 December 2017, and its financial performance and cash flows for the year then ended in accordance with Tier 1 Reporting Requirements of the Australian Accounting Standards and Section 763 of the *Industrial Relations Act 2016*.

Basis for Opinion

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

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

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

The Committee of Management are responsible for the other information. The other information comprises the information included in the Detailed Income and Expenditure Accounts, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Committee of Management for the financial report

The Committee of Management of the Union are responsible for the preparation and fair presentation of the financial report in accordance with Tier 1 Reporting Requirements of the Australian Accounting Standards and Section 763 of the *Industrial Relations Act 2016* and for such internal control as the Committee of Management determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

INDEPENDENT AUDITOR'S REPORT CONTINUED...



Auditor's responsibilities for the audit of the financial report

Our objectives are 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 this financial report.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 Union'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 Union's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Union 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.

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

Paula McLuskie
Chartered Accountant
Certificate of Public Practice: 320791

Ernst & Young
Brisbane
14 May 2018

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

ACCUMULATED FUNDS & RESERVES			
	Note	2017	2016
		\$	\$
Accumulated Funds		9,101,181	9,001,271
Reserves	3(a)	18,604,698	16,934,723
TOTAL ACCUMULATED FUNDS & RESERVES		\$27,705,879	\$25,935,994
Represented by:			
CURRENT ASSETS			
Cash and Cash Equivalents	15	5,219,142	8,115,230
Investments in Managed Funds	4(a)	5,696,162	1,775,057
Receivables			
Advance to Members		34,474	40,960
Dues in Arrears		515,140	437,310
Provision for Non-collection of Dues		(103,028)	(96,672)
Dues from another reporting unit		-	-
Sundry Debtors		63,656	57,082
Other Assets	4(b)	681,197	793,789
TOTAL CURRENT ASSETS		\$12,106,743	\$11,122,756
NON CURRENT ASSETS			
Available-for-sale Financial Assets	5(a)	299,167	441,667
Intangible Assets	5(b)	547,979	454,928
G A Daughtrey Art Collection	5(c)	152,600	152,600
Investment Properties	5(d)	5,200,000	5,200,000
Fixed Assets	5(e)	16,213,451	14,841,031
TOTAL NON CURRENT ASSETS		\$22,413,197	\$21,090,226
TOTAL ASSETS		\$34,519,940	\$32,212,982
CURRENT LIABILITIES			
Sundry Creditors & Accruals		798,346	708,872
Payables to another reporting entity		-	-
Dues in Advance		1,915,541	1,859,178
Provisions			
Long Service Leave	6	1,956,372	1,792,727
Annual Leave	6	1,846,926	1,625,105
TOTAL CURRENT LIABILITIES		\$6,517,185	\$5,985,882
NON CURRENT LIABILITIES			
Provisions			
Long Service Leave	6	296,876	291,106
TOTAL NON CURRENT LIABILITIES		\$296,876	\$291,106
TOTAL LIABILITIES		\$6,814,061	\$6,276,988
NET ASSETS		\$27,705,879	\$25,935,994

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017	2016
		\$	\$
Income Statement			
Revenue from Union Operations	10(a)	21,196,804	20,174,712
Other Income	10(b)	1,293,491	1,113,018
Expenses of Union Operations	10(c)	(19,890,884)	(18,454,217)
Surplus from Union Operations Before Special Expenditure			
Expenditure		\$2,599,411	\$2,833,513
Special Expenditure	18	(918,356)	(401,063)
Comprehensive Surplus/(Deficit) from Union Operations After Special Expenditure		\$1,681,055	\$2,432,450
Other Comprehensive Income		-	-
Total comprehensive income for the period is attributable to accumulated funds and reserves		\$1,681,055	\$2,432,450
Reconciliation of Accumulated Funds			
(Deficit)/Surplus from Union Operations After Special Expenditure		\$1,681,055	\$2,432,450
Net Allocation (to)/from Reserves			
Natural Disaster Fund	3(a)(b)	-	-
Investment Reserve	3(a)(d)	(100,000)	(183,557)
Conference Fund	3(a)(c)	201,418	(161,259)
Campaign Reserve Fund	3(a)(f)	(1,682,563)	(1,530,104)
		\$(1,581,145)	\$(1,874,920)
Surplus from Union Operations After Special Expenditure and allocation (to)/from reserves		\$99,910	\$557,530
Accumulated funds at beginning of year		9,001,271	8,443,741
Accumulated funds at end of year		\$9,101,181	\$9,001,271

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Accumulated Funds \$	Reserves (note 3(a)) \$	Total \$
2016			
Opening Balance	8,443,741	14,975,306	23,419,047
Surplus from Union Operations after special expenditure	2,432,450	-	2,432,450
Fair value revaluation of Available-for-sale Financial Assets		(82,170)	(82,170)
Fair value revaluation of Land and Buildings	-	166,667	166,667
Total Income for the Year	2,432,450	84,497	2,516,947
Net allocation from/to reserves	(1,874,920)	1,874,920	-
	557,530	1,959,417	2,516,947
Closing Balance	\$9,001,271	\$16,934,723	\$25,935,994
2017			
Opening Balance	9,001,271	16,934,723	25,935,994
Surplus from Union Operations after special expenditure	1,681,055	-	1,681,055
Fair value revaluation of Available-for-sale Financial Assets		(80,977)	(80,977)
Fair value revaluation of Land and Buildings	-	169,807	169,807
Total Income for the Year	1,681,055	88,830	1,769,885
Net allocation from/to reserves	(1,581,145)	1,581,145	-
	99,910	1,669,975	1,769,885
Closing Balance	\$9,101,181	\$18,604,698	\$27,705,879

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

		2017	2016
		Inflows	Inflows
		(Outflows)	(Outflows)
		\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES			
RECEIPTS			
Members Dues		21,099,664	20,349,084
Interest Received		168,200	211,591
Other Income		579,510	568,822
Net GST Collected		1,301,070	1,330,877
PAYMENTS			
Wages & Salaries		(8,808,128)	(8,720,285)
Affiliation Fees - Other		(123,263)	(123,157)
Affiliation Fees - Queensland Council of Unions		(286,394)	(255,004)
Capitation Fees - paid to Australian Education Union (Qld)		(1,199,050)	(1,169,292)
Public Levies - paid to Australian Education Union (Qld)		(137,481)	(138,118)
Public Education Levy - paid to Australian Education Union (Qld)		(156,228)	(156,952)
Supplies & Other		(7,558,615)	(7,268,372)
Bank charges		(124,782)	(123,696)
Expenditure from Reserves		(918,356)	(401,063)
GST Remitted to ATO		(1,254,124)	(1,342,516)
NET CASH FLOWS FROM OPERATING ACTIVITIES	15(a)	2,582,023	2,761,919
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for Purchase of Plant & Equipment		(1,987,518)	(591,478)
Payments for Purchase of Intangible Assets		(15,180)	(320,177)
Investment in Managed Funds		(3,737,623)	-
Earnings from Managed Funds		218,696	88,954
Receipts from Sale of Property, Plant & Equipment		50,000	103,220
Net (Advances)/Repayments - Members		(6,486)	6,599
NET CASH FLOWS FROM INVESTING ACTIVITIES		(5,478,111)	(712,882)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		(2,896,088)	2,049,037
Add Cash and cash equivalents at Beginning of Year		8,115,230	6,066,193
CASH AND CASH EQUIVALENTS at the end of the year	15(b)	\$5,219,142	\$8,115,230

NOTES TO AND FORMING PART OF THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 1 - ORGANISATIONAL INFORMATION

The Queensland Teachers' Union of Employees has been registered as an Industrial Union of Employees in Queensland since 2 May 1917, with the Industrial Registrar.

Principal place of business is 21 Graham Street, Milton, Queensland.

The nature of the Union's operations and principal activities are those of a trade union.

The Union is a not-for-profit entity for the purpose of preparing financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of Accounts

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards and other mandatory professional reporting requirements and the Industrial Relations Act 2016.

The financial report has also been prepared in accordance with the historical cost basis, except for land and buildings, investment properties and available-for-sale financial assets that have been valued at fair value.

The financial report is presented in Australian dollars.

(b) Statement of compliance

The financial report complies with Australian Accounting Standards and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards board.

(c) Lease Incentives

Where a lease incentive payment does not enhance the value of a property, it is amortised on a straight-line basis over the period from the date of lease commencement to the earliest termination date.

(d) Fixed Assets

Plant and equipment is stated at cost less accumulated depreciation and any impairment in value.

Land and buildings are measured at fair value less accumulated depreciation.

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Freehold Buildings - 30 years

Plant and equipment - 2 to 10 years

Impairment

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

If any such indication exists, and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

The recoverable amount of plant and equipment is the greater of fair value less costs to sell and value in use. In assessing value in use, where the future economic benefits of an asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Union would, if deprived of the asset, replace its remaining future economic benefits, value in use shall be determined as the depreciated replacement cost of the asset.

Impairment losses are recognised in the Statement of Comprehensive Income.

Revaluations

Following initial recognition at cost, land and buildings are carried at a re-valued amount which is the fair value at the date of the revaluation less any subsequent accumulated depreciation on buildings and accumulated impairment losses.

Fair value is determined by reference to market-based evidence, which is the amount for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction as at the valuation date.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

Note 2 - Summary of Significant Accounting Policies continued

Any revaluation surplus is credited to the asset revaluation reserve included in the equity section of the balance sheet unless it reverses a revaluation decrease of the same class of asset previously recognised in the income statement.

Any revaluation deficit is recognised in the income statement unless it directly offsets a previous surplus of the same class of asset in the asset revaluation reserve.

In addition, any accumulated depreciation as at revaluation date is eliminated against the gross carrying amount of the asset and the net amount is restated to the revalued amount of the asset.

Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to accumulated funds.

Independent valuations are performed with sufficient regularity to ensure that the carrying amount does not differ materially from the asset's fair value at the balance sheet date.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the Statement of Comprehensive Income in the year the item is derecognised.

(e) Provisions

Provisions are recognised when the Union has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

(f) Tax Status

The Union is exempt from income tax under Section 50.15 of the Income Tax Assessment Act 1997.

(g) Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Union and the revenue can be reliably measured.

The following specific recognition criteria must also be met before revenue is recognised:

Membership Dues

Membership dues income is recognised in the financial year to which the dues relate.

Interest

Revenue is recognised as the interest accrues (using the effective interest method, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument) to the net carrying amount of the financial asset.

Rental income

Rental income arising on investment properties and other properties is accounted for on a straight-line basis over the lease term.

(h) Investment Properties

Initially, investment properties are measured at cost including transaction costs.

Subsequent to initial recognition investment properties are stated at fair value.

Gains and losses arising from a change in the fair values of investment properties are included in the Statement of Comprehensive Income in the year in which they arise.

Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on the de-recognition of an investment property are recognised in the Statement of Comprehensive Income in the year of de-recognition.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

Note 2 - Summary of Significant Accounting Policies – continued**(i) G A Daughtrey Art Collection**

Initially, art works are measured at cost.

Subsequent to initial recognition art works are stated at fair value.

Gains and losses arising from a change in the fair values of art works are included in the Statement of Comprehensive Income in the year in which they arise.

Art works are derecognised when they have either been disposed of or when the art works is permanently withdrawn from use and no future benefit is expected from its disposal.

Any gains or losses on the de-recognition of an art works are recognised in the Statement of Comprehensive Income in the year of de-recognition.

(j) Trade and other receivables

Trade receivables, which generally have 30 day terms, are recognised and carried at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when identified.

(k) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank, in hand and short term deposits with a maturity date of less than 3 months.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(l) Other taxes - GST

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

- where the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables are stated with the amount of GST included.

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

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority, are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(m) Leases

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as the lease income.

Operating Lease payments are recognised as an expense in the income statement on a straight line basis over the lease term.

(n) Intangibles

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful life and tested for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at each financial year-end. Changes in the expected useful life or the expected

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

Note 2 - Summary of Significant Accounting Policies - continued

pattern of consumption of future economic benefits embodied in the asset are accounted for prospectively by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in profit and loss in the expense category consistent with the function of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(o) Available-for-sale Financial Assets

Available-for-sale financial assets consist of investments in Unit Trusts which hold properties in Mackay and Bundaberg. After initial recognition available-for-sale financial assets are measured at fair value with gains or losses being recognised as a separate component of reserves until the investment is derecognised or until the investment is determined to be impaired, at which time the cumulative gain or loss previously reported in reserves is recognised in surplus or deficit. Fair value is measured by the value of units held in the Unit Trust.

(p) Financial instruments**(i) Classification**

Investments in managed funds are classified as at fair value through profit or loss. They comprise:

Financial instruments designed at fair value through profit or loss upon initial recognition.

These include financial assets that are not held for trading purposes and which may be sold such as commercial paper.

Financial assets designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the documented strategy.

(ii) Recognition/derecognition

The Union recognises financial assets on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets from this date.

Investments are derecognised when the right to receive cash flows from the investments have expired or the Union has transferred substantially all risks and rewards of ownership.

(iii) Measurement

Financial assets and liabilities held at fair value through profit or loss.

The fair value of financial assets traded in active markets is subsequently based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs. The quoted market price used for financial assets held by the Union is the current bid price.

(q) New Accounting standards and interpretations

New or amended accounting standards and interpretations that became applicable to the Union for the first time for the 31 December 2017 year end did not result in a change to the accounting policies.

There are also certain new accounting standards and interpretations that have been published that are not mandatory for the 31 December 2017 reporting period and have not been adopted by the Union for the annual reporting period ending 31 December 2017.

(r) Significant accounting judgements, estimates and assumptions

The preparation of the financial statement requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources.

Management has identified the following critical accounting policies for which significant judgements, estimates and assumptions are made:

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

Note 2 - Summary of Significant Accounting Policies – continued

- determination of the fair value of land and buildings and assets held for sale;
- provisioning for bad and doubtful debts; and
- ensuring that the Union's assets are not carried at more than their recoverable amount in particular any impairment of intangible assets and investment properties

Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial positions reported in the future periods.

Further details of the nature of these assumptions and conditions may be found in the relevant notes to the financial statements.

NOTE 3 (a) – RESERVES

	2017	2016
(a) Asset Revaluation Reserve	\$	\$
Opening Balance	11,173,658	11,006,991
Surplus/(deficit) on Revaluation of Land & Buildings	169,807	166,667
Closing Balance	<u>\$11,343,465</u>	<u>\$11,173,658</u>
(b) Natural Disaster Fund		
Opening Balance	200,000	200,000
Allocation to Operating Surplus	(150,000)	-
Transfer from Accumulated Funds	150,000	-
Allocation from Operating Surplus	-	-
Closing Balance	<u>\$200,000</u>	<u>\$200,000</u>
(c) Conference Fund		
Opening Balance	347,685	186,426
Allocation from Operating Surplus	-	-
Allocation to Operating Surplus	(451,418)	(88,741)
Transfer from Accumulated Funds	250,000	250,000
Closing Balance	<u>\$146,267</u>	<u>\$347,685</u>
(d) Investment Fund		
Opening Balance	1,000,000	816,443
Transfer from Accumulated Funds	100,000	183,557
Closing Balance	<u>\$1,100,000</u>	<u>\$1,000,000</u>
(e) Net Unrealised Gain Reserve		
Opening Balance	213,380	295,550
Net (Loss)/Gain on Available-for-sale Financial Assets	(80,977)	(82,170)
Closing Balance	<u>\$132,403</u>	<u>\$213,380</u>
(f) Campaign Reserve Fund		
Opening Balance	4,000,000	2,469,896
Allocation to Operating Surplus	(317,437)	(312,323)
Allocation from Operating Surplus	-	-
Transfer from Accumulated Funds	2,000,000	1,842,427
Closing Balance	<u>\$5,682,563</u>	<u>\$4,000,000</u>
Total Reserves	<u>\$18,604,698</u>	<u>\$16,934,723</u>

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 3 (b) – Nature and Purpose of Reserves**Asset Revaluation Reserve**

The asset revaluation reserve is used to record increments and decrements in the fair value of land and buildings.

Net Unrealised Gains Reserve

The net unrealised gains reserve is used to record movement of available-for-sale financial assets.

Special Reserves

Each year funds are to be set aside for reserves in accordance with the following:

- (a) Conference Fund,
- (b) Natural Disaster Fund,
- (c) Investment Fund,
- (d) Campaign Reserve Fund.

Conference Fund

A yearly allocation to the Conference Fund is made, being half the estimated additional cost of running the next biennial Conference and the cost of the next biennial Women's Conference. Additionally, the running costs of the Educational Administrators Conference are drawn from the Conference Fund.

Natural Disaster Fund

The Natural Disaster Fund has been established to provide some relief and assistance to members affected by natural disasters such as floods, bushfires or cyclones. The fund is available to assist members and relieve hardship and distress but it is not a substitute for insurance cover and cannot make good all losses that a member suffers in a natural disaster.

People entitled to draw on the fund shall be those who have been involved in a natural disaster who are financial members of the Queensland Teachers' Union at the time of the disaster. The General Secretary or President or the Vice President shall preside over a committee of three Executive members appointed by the Executive to administer the fund. Applicants to the fund shall make a statement of loss countersigned by a local honorary Union official.

Investment Fund

In 2009 this fund was combined with the General Reserve Fund. The Fund has been established to ensure that the asset base of the Union continues to improve.

Campaign Reserve Fund

This fund was established by State Council in March 2009. It combined the Industrial Campaign Fund and the non-levy component of the Salary and Working Conditions Reserve. Its purpose is to conduct campaigns in support of the Union's objectives.

NOTE 4 (a) CURRENT ASSETS – Investment in Managed Funds

Investments in Managed Funds - held at fair value through profit or loss.

	2017	2016
	\$	\$
Total	<u>\$5,696,162</u>	<u>\$1,775,057</u>

The Fair Value of the funds is determined as the number of shares on hand at balance date multiplied by the applicable quoted share price at balance date.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 4 (b) CURRENT ASSETS – Other Assets

	2017	2016
	\$	\$
Other	18,694	19,844
Deferred Rent	40,745	77,833
Prepayments	537,846	500,317
Lease Incentive	83,912	195,795
CARRYING AMOUNT AT END OF YEAR	\$681,197	\$793,789

During the 2012 financial year Queensland Health entered into a new six year lease agreement to occupy the premises owned by Queensland Teachers' Union at Garden City Office Park, 2404 Logan Road, Eight Mile Plains. This agreement included a lease incentive of \$554,000 to be amortised over the period of the lease.

NOTE 5 (a) NON-CURRENT ASSETS – Available-for-sale Financial Assets

(i) Description of Available-for-sale financial assets

Available-for-sale financial assets consist of investments in Unit Trusts which hold properties in Mackay and Bundaberg. These properties are held for strategic purposes to accommodate trade unions so they can provide services to members. The available-for-sale financial assets are measured at fair value.

(ii) Valuation assumptions

The fair value of the available-for-sale financial assets is based on the valuation of the Units held by the Trust. The Union holds 1 of 6 units in the Bundaberg investment and 1 of 4 units in the Mackay investment. Each Trust holds property. Independent valuations have been undertaken for each property.

Any revaluation surplus/(deficit) is credited to the Net Unrealised Gain Reserve in the equity section of the balance sheet.

	2017	2016
	\$	\$
At fair value		
Bundaberg Unit Trust	116,667	116,667
Mackay Unit Trust	182,500	250,000
Rockhampton Unit Trust	-	75,000
	\$299,167	\$441,667
CARRYING AMOUNT AT BEGINNING OF YEAR	441,667	523,837
Net gain (loss) from fair value adjustment of Mackay Unit Trust	(67,500)	(82,170)
Net gain (loss) from disposal of Rockhampton Unit Trust	(13,477)	0
Sub-total	(80,977)	(82,170)
Funds received from Disposal of Rockhampton Unit Trust	(61,523)	0
Sub-total	(142,500)	(82,170)
CARRYING AMOUNT AT END OF YEAR	\$299,167	\$441,667

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 5(b) – NON-CURRENT ASSETS – Intangible Assets

(i) Reconciliation of the carrying amount of Intangible assets

	2017	2016
	\$	\$
Intangible Assets - at Cost	1,289,540	1,149,195
Less Accumulated Amortisation	(741,561)	(694,267)
INTANGIBLE ASSETS	\$547,979	\$454,928
CARRYING AMOUNT AT BEGINNING OF YEAR	454,928	298,254
Additions	140,345	223,684
Amortisation	(47,294)	(67,010)
CARRYING AMOUNT AT END OF YEAR	\$547,979	\$454,928

(ii) Description of Intangible Assets

Software Development Costs and Software Product Costs

Software development and product costs are carried at cost less accumulated amortisation and accumulated impairment losses. This intangible asset has been assessed as having a finite life and is amortised using the straight line method over a ten year period. The amortisation has been recognised in the Statement of Comprehensive Income in the line item "depreciation and amortisation". If an impairment indication arises, the recoverable amount is estimated and an impairment loss is recognised to the extent that the recoverable amount is lower than the carrying amount.

NOTE 5 (c) – NON-CURRENT ASSETS – G A Daughtrey Art Collection

	2017	2016
	\$	\$
G A Daughtrey Art Collection	152,600	152,600
Less Accumulated Amortisation	-	-
G A Daughtrey Art Collection	\$152,600	152,600

The G A Daughtrey Art Collection has been donated to the Queensland Teachers' Union. These works of art were valued for Market purposes by Claire Mitchell, an approved valuer, and for the antique furniture component by Hinds Antiques in 2015. The collection is a long term investment of the Queensland Teachers' Union.

NOTE 5 (d) – NON-CURRENT ASSETS – Investment Properties

	2017	2016
	\$	\$
CARRYING AMOUNT AT BEGINNING OF YEAR	5,200,000	5,000,000
Additions	-	-
Net (loss) gain from fair value adjustments	-	200,000
CARRYING AMOUNT AT END OF YEAR	\$5,200,000	\$5,200,000

The fair value of investment property has been determined by reference to Executive Committee valuation, based upon independent valuation by CBRE Valuations Pty Ltd as at 7 December 2015. The valuation was performed on an open market basis, being the amounts for which the assets could be exchanged between a knowledgeable willing buyer and a knowledgeable willing seller in an arm's length transaction at the valuation date.

The property is located at Building 5, Garden City Office Park, 2404 Logan Road, Eight Mile Plains.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 5 (e) - NON-CURRENT ASSETS – Fixed Assets

(i) Reconciliation of the carrying amount of each class of Fixed Assets

	2017	2016
	\$	\$
Land & Building - Townsville at Fair Value	660,000	650,000
Land & Building - Milton at Fair Value	12,100,000	12,100,000
Land & Building - Gold Coast at Fair Value	800,000	750,000
Land & Building - Cairns at Fair Value	650,000	630,000
	14,210,000	14,130,000
Less Accumulated Depreciation	(270,000)	(89,807)
	13,940,000	14,040,193
Plant & Equipment - at Cost	6,003,753	4,381,583
Less Accumulated Depreciation	(3,730,302)	(3,580,745)
	2,273,451	800,838
PROPERTY, PLANT AND EQUIPMENT	\$16,213,451	\$14,841,031
LAND AND BUILDINGS		
CARRYING AMOUNT AT BEGINNING OF YEAR	14,040,193	13,920,771
Revaluations	169,807	166,667
Depreciation	(270,000)	(47,245)
CARRYING AMOUNT AT END OF YEAR	\$13,940,000	\$14,040,193
PLANT AND EQUIPMENT		
CARRYING AMOUNT AT BEGINNING OF YEAR	800,838	461,571
Additions	1,851,092	591,478
Disposals	(130,776)	(71,987)
Depreciation	(247,703)	(180,224)
CARRYING AMOUNT AT END OF YEAR	\$2,273,451	\$800,838

NOTE 5 (e) NON-CURRENT ASSETS – Fixed Assets continued

(ii) Revaluations

The fair value of property is the price at which the property could be exchanged between knowledgeable, willing parties in an arm's length transaction. A willing seller is not a forced seller prepared to sell at any price. The best evidence of fair value is given by current prices in an active market for similar property in the same location and condition.

The fair value of the Union land and buildings has been determined by the committee of management, who have engaged the following accredited external valuers, to assist in determining the fair value of the land and buildings:

Milton, Cairns, Gold Coast and Townsville: CB Richard Ellis

The effective dates of the revaluations were:

Milton 31 December 2016

Cairns 31 December 2017

Gold Coast 31 December 2017

Townsville 31 December 2017

Any revaluation surplus/decrement is credited to the asset revaluation reserve included in the equity section of the balance sheet.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 6 – PROVISIONS – Provisions for Long Service Leave and Annual Leave

	2017	2016
Long Service Leave Provision	\$	\$
Long Service Leave Provision - Current		
- Holders of Office	396,342	366,441
- Other Officers & Employees	1,560,030	1,426,286
Long Service Leave Provision - Non-Current	296,876	291,106
	<u>\$2,253,248</u>	<u>\$2,083,833</u>

	2017	2016
Annual Leave Provision	\$	\$
Annual Leave Provision - Current		
- Holders of Office	244,231	206,227
- Other Officers & Employees	1,602,695	1,418,878
	<u>\$1,846,926</u>	<u>\$1,625,105</u>

NOTE 7 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**(a) Terms, conditions and accounting policies**

The Union's principal financial instruments comprise receivables, payables, bank loans, available-for-sale financial assets and cash and cash equivalents.

The objective of risk management is to support the delivery of the Unions financial and non-financial targets whilst protecting future financial security. The main risks arising from the Unions financial instruments are interest rate risk, credit risk and liquidity risk.

The Union developed a Five Year Financial Overview and Plan 2015-2019, which was endorsed by the Union's State Council in March 2016. The plan incorporates the financial objectives of the QTU for 2015-2019. These include:

- Maintenance of high levels of membership density, with a target of 96% of permanent employees;
- Adhering to a yearly balanced operating budget or an operating surplus budget;
- To aim for a net surplus in the allocations to and expenditure from QTU reserves over the life of the financial plan; and
- To optimize the return on invested QTU assets through diversified investment by the Trustees, subject to ethical compatibility with the values of the QTU as far as practicable;

The Union's Audit Committee manages the Five Year Financial Overviews and Plans. The Union continue to be managed against the 2015-2019 Financial Plan.

(b) Risk exposures and responses**(i) Interest rate risk**

The Union has minimal exposure to interest rate risks. At balance date, the Union had the following mix of financial assets and liabilities exposed to Australian variable interest rate risk:

	2017	2016
Financial Assets	\$	\$
Cash and cash equivalents:		
Cash at bank and on hand	850,710	2,238,852
Short term deposits	4,368,432	5,876,378
Net Exposure	<u>\$5,219,142</u>	<u>\$8,115,230</u>

The Union constantly analyses its interest rate exposure. Within this analysis, consideration is given to the renewal periods of short-term deposits and the amount of cash at bank and on hand held in the Unions trading account to cover cash flow requirements of the Union.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Short-term deposits are stated at the lower of cost and net realisable value. Interest is recognised when earned in income and expenditure. The short-term deposits have a maturity term of between 10 and 164 days (2016: 5 – 97 days) and an interest rates of between 1.80% and 2.50% (2016: 2.25% - 2.70%).

The following sensitivity analysis is based on the interest rate exposures in existence at the balance sheet date.

At 31 December 2017, if interest rates had moved, as illustrated in the table below, with all other variables held constant, the surplus would have been affected as follows:

Judgements of reasonably possible movements:	2017	2016
	\$	\$
+1% (100 basis points)	52,191	81,152
-0.5% (50 basis points)	(26,096)	(40,576)

(ii) Credit risk exposures

The Union's credit risk arises from financial assets comprising cash and cash equivalents and trade and other receivables. The Unions exposure to credit risk arises from potential default of the counter party (namely, union members), with a maximum exposure to credit risk at balance date in relation to each class of recognised financial asset being the carrying amount of those assets as indicated in the Balance Sheet.

In addition, receivable balances are monitored on an on-going basis with the result that the Unions exposure to Bad Debts is not significant.

Concentration of credit risk arises as all subscription income is from members employed in the Queensland Public Education Sector.

Trade and other receivables are recognised as follows:

Dues in Arrears - Carried at GST inclusive nominal amounts less provision for doubtful debts.

(iii) Liquidity risk

The Union has little exposure to liquidity risk as there are no fixed term loans.

The contractual maturities of the Union's financial liabilities are:

	2017	2016
	\$	\$
No later than one year	2,713,887	2,568,050
Later than one year and not later than five years	-	-
Later than five years	-	-
Total	2,713,887	2,568,050

Maturity analysis of financial assets and liabilities based on management's expectation.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 7 – FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

The risk implied from the values shown in the table below reflects a balanced view of cash inflows and outflows.

Year ended 31 December 2017					
	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial Liabilities:					
Sundry Creditors & Accruals	798,346	-	-	-	798,346
Sundry Dues in Advance	1,915,541	-	-	-	1,915,541
	2,713,887	-	-	-	2,713,887
Year ended 31 December 2016					
	< 6 months	6-12 months	1-5 years	> 5 years	Total
	\$	\$	\$	\$	\$
Financial Liabilities:					
Sundry Creditors & Accruals	708,872	-	-	-	708,872
Sundry Dues in Advance	1,859,178	-	-	-	1,859,178
	2,568,050	-	-	-	2,568,050

(c) Net fair values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at the balance date approximates the carrying values.

(d) Fair value estimation

The carrying amounts of the Union's assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities held at fair value through profit or loss are measured initially at fair value excluding any transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately. Subsequent to initial recognition, all instruments held at fair value through profit or losses are measured at fair value with changes in their value recognised in profit or loss.

(e) Fair value hierarchy

Classification of financial assets and financial liabilities

The Union classifies fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used

in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. The Union's managed funds are classified as level 1 in the fair value hierarchy.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 8 – COMMITMENTS**Operating lease commitments – Union as lessee**

The Union has entered into commercial leases on office premises and office equipment where it is not in the best interest of the Union to purchase these assets.

These leases have an average life of between three and five years with renewal terms included in the contracts.

There are no restrictions placed upon the lessee by entering into the leases.

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

	2017	2016
	\$	\$
No later than one year	156,956	171,657
Later than one year and not later than five years	426,893	170,419
Aggregate lease expenditure contracted for at balance date	\$583,849	\$342,076

Operating lease commitments – Union as lessor

The Union has entered into commercial leases on its property portfolio, consisting of the Union's surplus office and investment property buildings.

These non-cancellable leases have remaining terms of up to five years. All leases include a rent review clause to enable upward revision of the rental charge on an annual basis.

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

	2017	2016
	\$	\$
No later than one year	494,463	629,935
Later than one year and not later than five years	110,571	605,035
Later than five years	-	-
Aggregate lease expenditure contracted for at balance date	\$605,034	\$1,234,970

Capital commitments

During 2016 the Union contracted for a new Electronic Data Record Management system for \$432,750 of which \$112,800 remains to be completed in 2018.

NOTE 9 - CONTINGENT ASSETS AND LIABILITIES

As at 31 December 2017 and at the date of this report, there are no contingent assets or liabilities.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 10– REVENUE AND EXPENSES

Surplus from ordinary activities has been determined after:

(a) Revenue from Union Operations

	Note	2017	2016
General		19,894,265	18,905,832
Journal		671,802	651,765
QTEC		555,063	543,137
Journal Advertising		75,674	73,978
TOTAL REVENUE FROM UNION OPERATIONS		\$21,196,804	\$20,174,712
(b) Other Income			
Interest Received		168,200	211,591
Earnings from Investments		218,697	99,300
Net Gains (Losses) from Investments at Fair Value		168,884	(7,537)
Rental Received		93,190	77,069
Rental from Investment Properties		427,393	427,393
Fair value gain/(loss) on Investment Properties		-	-
Capitation Fees		-	-
Compulsory Levies		-	-
Donations or Grants		-	-
Financial Support Receipts		-	-
Gain/(loss) from Disposal of Property, Plant and Equipment	15	15,787	31,233
Other Income		201,340	273,969
TOTAL OTHER INCOME		\$1,293,491	\$1,113,018
TOTAL REVENUE FROM UNION OPERATIONS AND OTHER INCOME		\$22,490,295	\$21,287,730

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 10- REVENUE AND EXPENSES continued**(b) Expenses from Union Operations**

Affiliation Fees - Other		123,263	123,157
Affiliation Fees - Queensland Council of Unions		286,394	255,004
Capitation Fees - paid to Australian Education Union (Qld)		1,199,050	1,169,292
Public Levies - paid to Australian Education Union (Qld)		137,481	138,118
Public Education Levy - paid to Australian Education Union (Qld)		156,228	156,952
Wages & Salaries - Holders of Office		762,914	725,899
Wages & Salaries - Other Officers & Employees		7,880,125	7,596,421
Direct Investment Property Operating Expenses		42,748	73,910
Depreciation	5(e)	517,773	227,469
Amortisation	5(b)	47,294	67,010
Professional Services	17	1,220,871	1,119,554
Operating Lease payments		40,128	37,784
Superannuation - Holders of Office		128,320	132,598
Superannuation - Other Officers & Employees		1,155,423	1,100,935
Other Building Expenses		475,268	470,464
Fees or Allowances paid to Holders of Office for attending conferences as representatives of the reporting unit		25,313	20,695
Fees or Allowances paid to other Officers & Representatives for attending conferences as representatives of the reporting unit		226,037	223,869
Expenses incurred in connection with holding meetings of the reporting unit (inc conferences, councils or other meetings)		529,826	520,859
Other Employee Expenses - Holders of Office		22,910	19,190
Other Employee Expenses - Other Officers & Employees		125,241	118,642
Sponsorships		75,120	54,941
Other QTEC Expenses		375,238	248,938
Other Journal Expenses		478,309	450,227
LSL and Recreation Leave - Holders of Office		65,934	108,570
LSL and Recreation Leave - Other Officers & Employees		432,627	71,608
Special Projects		20,432	19,165
Communication Expenses		269,768	262,656
Expenses incurred as consideration for employers making payroll deductions of membership subscriptions		-	-
Separation payments - Holders of Office		-	167,136
Separation payments - Other Officers & Employees		-	-
Grants (relief to members - \$1,000 or less)		2,500	3,000
Other Supplies & Services		3,068,350	2,770,154
Penalties imposed under the Industrial Relations Act 2016		-	-
TOTAL EXPENSES OF UNION OPERATIONS			
(excluding finance costs)		\$19,890,884	\$18,454,217

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 11 – OTHER PRESCRIBED ACCOUNTS

(a) Particulars of Income	Note	2017	2016
		\$	\$
Profit on Sale of Assets > \$1,000		15,787	36,658
		\$	\$
(b) Particulars of Expenditure			
Bad Debts			
Written Off		82,439	68,634
Provision for Doubtful Debts		6,356	-
Donations/Grants		30,338	36,019
Grants (Natural Disaster Fund)		-	-
Compulsory Levies		156,865	156,952
Benefits to Management Committee Members	16	28,168	26,625
Long Service Leave Paid		107,326	273,520
Annual Leave Paid		694,808	793,699
Rent Paid		151,264	152,637
Loss on Sale of Asset > \$1,000		0	5,425

NOTE 12

In accordance with the requirements of the Industrial Relations Act 2016, the attention of members is drawn to the provisions of sub-section (1) (2) (3) (4) (5) (6) and (7) of section 787 which read as follows -

- (1) A member of a reporting unit, or the registrar, may apply to the reporting unit for stated information, prescribed by regulation, about the reporting unit to be made available to the person making the application.
- (2) The application must
 - a. be in writing; and
 - b. state the period, which must be at least 14 days after the application is made, within which the information must be made available; and
 - c. state the way in which the information must be made available.
- (3) The reporting unit's organisation must ensure the reporting unit complies with the application.
- (4) The registrar may only make an application under subsection (1) if asked by a member of the reporting unit.
- (5) The registrar must provide the information obtained as a result of the application to any member of the reporting unit who asks for it.
- (6) A reporting unit's organisation must ensure that, when the reporting unit prepares a general purpose financial report under 763, a concise report under section 778 or a report under section 785(5), it includes in the report a notice drawing attention to subsection (1), (2) and (3) and setting out the subsections.
- (7) Without limiting the information that may be prescribed under subsection (1), the information prescribed must include details (including the amount) of any fees paid by the reporting unit for payroll deduction services provided by a person who is an employer of -
 - a. the member making the application for information: or
 - b. the member at whose request the application was made.

NOTE 13 – SEGMENT INFORMATION

The Queensland Teachers' Union of Employees operates solely as a Trade Union in Australia and is domiciled in Australia.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 14 - EMPLOYEE INFORMATION

As at 31 December 2017 the QTU employed 87 equivalent full time permanent employees (2016: 84 employees).

NOTE 15 - STATEMENT OF CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
(a) Reconciliation of the operating surplus to the net cash flows from operating activities		
Operating (Deficit)/Surplus	1,681,055	2,432,450
Provision for Depreciation and Amortisation	564,997	294,479
Net (Gain)/Loss on Disposal of Property, Plant & Equipment	(15,787)	(31,233)
(Increase)/Decrease in Managed Funds	(44,619)	(137,482)
Unrealised (Gain)/Loss from Investments at Fair Value	(168,884)	7,537
Movement in assets and liabilities		
(Increase)/Decrease in Other Current Assets	112,593	50,411
(Increase)/Decrease in Sundry Debtors	(6,574)	(32,829)
(Increase)/Decrease in Dues in Arrears	(77,831)	(17,019)
Increase/(Decrease) in Other Current Liabilities	-	-
Increase/(Decrease) in Sundry Creditors and Accruals	89,474	23,576
Increase/(Decrease) in Provisions	391,236	(93,342)
Increase/(Decrease) in Dues in Advance	56,363	265,371
Net cash flows from Operating Activities	\$2,582,023	\$2,761,919
(b) Reconciliation of cash		
	2017	2016
For the purposes of the Statement of Cash Flows, Cash and Cash Equivalents comprise the following at 31 December:	\$	\$
Cash at Bank and on Hand	850,710	2,238,852
Short term deposits	4,368,432	5,876,378
	\$5,219,142	\$8,115,230

Cash at Bank and on hand earns interest at floating rates based on daily bank deposit rates.

Fair value of cash and cash equivalents is \$5,219,142 (2016: \$8,115,230).

NOTE 16 - BENEFITS TO MANAGEMENT COMMITTEE MEMBERS

The members of the Executive of the Union (other than senior officers) receive an annual allowance for out-of-pocket expenses of \$1,814 (2016 \$1,771) per annum, as well as kilometric and meal allowances.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 17 - PROFESSIONAL SERVICES

	2017	2016
	\$	\$
(a) LEGAL SERVICE - Provided by TressCox Lawyers, HOlding Redlich and others		
Liability incurred by Union on behalf of its members	1,166,305	1,033,234
(b) SERVICES - Provided by Ernst & Young		
An audit of the Financial Statements		
Liability incurred by the Union	40,741	37,360
Other services		
Liability incurred by the Union	-	34,872
(c) SERVICES - Provided by others		
Internal operation review by Reveille	12,500	12,500
Incidentals pertaining to FBT returns and Risk Management	1,325	1,588

NOTE 18 - SPECIAL EXPENDITURE

	2017	2016
	\$	\$
Natural Disaster Fund		
Expenditure	(149,500)	-
Conference Reserve Fund		
Expenditure	(451,419)	(88,740)
Campaign Reserve Fund		
Payments received	-	-
Expenditure	(317,437)	(312,323)
SPECIAL EXPENDITURE	\$(918,356)	\$(401,063)

NOTE 19 - EVENTS AFTER BALANCE SHEET DATE

There are no subsequent events that have occurred after balance date.

NOTES TO AND FORMING PART OF THE ACCOUNTS cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

NOTE 20 - RELATED PARTY DISCLOSURES**(a) QTU Executive**

In accordance with Rule 9.1 of the Queensland Teachers' Union, the Executive shall consist of the Senior Officers, twelve other members of the Union elected by and from State Council, one other member of the TAFE Division of the Union elected by and from the TAFE Council and one other member who identifies as Aboriginal and/or Torres Strait Islander elected by and from the Council.

The names of each Executive member during the year ended 31 December 2017 were:

Elected by and from Council

Perry Anderson	Andrew Beattie
Natalie Clarke (from 11.03.2017)	Allan Cook
Peter Darben	Anna Kahler (from 20.05.2017)
Margi Malezer (Aboriginal and/or Torres Strait Islander member) (until 19.05.2017)	
Kerry O'Connor (from 20.05.2017)	Leah Olsson
Cresta Richardson	Nikki Roos
Nick Shirley (until 19.05.2017)	Robyn Sugden
Penny Taylor (Aboriginal and/or Torres Strait Islander member) (from 20.05.2017)	
Andrew Thompson	Scott Tibaldi (TAFE)
Craig Wood (from 20.05.2017)	

Senior Officers

Kevin Bates	Brendan Crotty
Graham Moloney	Sam Pidgeon
Kate Ruttiman	Jenny Swadling

(b) Key Management Personnel

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the union.

	2017	2016
	\$	\$
Short term employee benefits	646,910	644,602
Other long term benefits	49,994	38,426
TOTAL	696,904	683,028

DETAILED INCOME AND EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

GENERAL ACCOUNT	2017	2016
INCOME	\$	\$
Members' Dues	19,894,265	18,905,832
Income from Cash Investments	168,200	211,591
Earnings from Cash Investments	218,697	99,300
Fair Value Gains	168,884	(7,537)
Sundry Income	187,637	291,139
	20,637,683	19,500,325
LESS Expenses (schedule 1)	18,665,421	17,577,150
SURPLUS/(DEFICIT) ON GENERAL ACCOUNT	\$1,972,262	\$1,923,175
JOURNAL ACCOUNT		
INCOME		
Subscriptions	671,802	651,765
Advertising	75,674	73,978
Sundry Income	200	200
	\$747,676	\$725,943
LESS EXPENSES		
Depreciation	112	257
Postage	276,662	240,474
Printing	201,647	209,665
Salaries	217,534	212,236
	695,955	662,632
SURPLUS/(DEFICIT) ON JOURNAL ACCOUNT	\$51,721	\$63,311

DETAILED INCOME AND EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

BUILDING ACCOUNT	2017	2016
INCOME	\$	\$
Rental - Tenants	520,583	504,462
QTEC	63,000	63,000
QTU	950,052	950,052
	<u>\$1,533,635</u>	<u>\$1,517,514</u>
LESS EXPENSES		
Cleaning	77,804	93,232
Depreciation	270,069	47,305
General Expenses	130,341	162,126
Insurance Premiums	18,075	16,524
Light and Power	124,810	154,220
Rates and Taxes	85,102	83,824
Repairs & Maintenance	144,610	110,719
Salaries	70,146	69,530
	<u>\$920,957</u>	<u>737,480</u>
SURPLUS ON BUILDING ACCOUNT	<u>\$612,678</u>	<u>\$780,034</u>
QTEC ACCOUNT		
INCOME		
Allocation	555,063	543,137
Rental and Professional Development	29,290	19,288
	<u>\$584,353</u>	<u>\$562,425</u>
LESS EXPENSES		
Course expenses	330,902	223,378
Depreciation	2,280	2,286
Rent	63,000	63,000
Resources	14,015	16,237
Salaries	181,084	181,208
Union Promotion	30,321	9,323
	<u>\$621,602</u>	<u>495,432</u>
SURPLUS/(DEFICIT) ON QTEC ACCOUNT	<u>\$(37,249)</u>	<u>\$66,993</u>

DETAILED INCOME AND EXPENDITURE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 2017

SCHEDULE 1	2017	2016
GENERAL ACCOUNT EXPENSES	\$	\$
Affiliation Fees - QCU and sundry	286,884	255,714
Allowances - Elected and Administrative Officers & Executive	399,500	382,396
Anna Stewart Memorial Project	6,501	3,178
AEU Affiliation Fees and Expenses/ACTU Congress	1,961,535	1,924,405
Audit, Accounting and Risk Management Fees	54,567	86,320
Bad Debts	88,795	68,634
Bank Charges	124,782	123,696
Branches - Quotas & Grants	19,620	23,106
Child Care	16,830	14,340
Committee Expenses	86,876	77,017
Computer Expenses	160,355	149,400
Cost of Goods Sold	3,357	2,684
Council Expenses - State, TAFE & Area	442,950	443,842
Depreciation & Amortisation	292,605	244,719
Donations	30,338	36,019
General Expenses	268,604	248,955
Holiday Pay Provided	221,821	(87,244)
Insurance Premiums	109,826	113,483
Legal Expenses	1,167,195	1,029,071
Loss on Disposal	0	5,425
Long Service Leave Provided	276,740	267,422
Office Expenses	13,142	21,857
Operational Expenses - Officers	458,366	409,912
Payroll Tax	503,540	470,227
Postage/Delivery Charges	128,370	103,166
Printing	90,292	72,363
Publicity	63,246	58,141
Recovery Costs - Outstanding Dues	(890)	4,163
Relief Grants	2,500	3,000
Rental Expenses	40,128	37,784
Rental - QTU	950,052	950,052
Rentals Paid - Regional Offices	151,264	152,637
Repairs and Maintenance	28,287	21,991
Salaries & Wages	8,111,548	7,950,211
Sponsorships	75,120	54,941
Staff Amenities	9,378	9,771
Staff Appointments & Removal Expenses	4,298	2,423
Staff Training & Development and research	137,946	76,635
Stationery	61,087	38,173
Subscriptions & Literature	68,279	58,156
Superannuation	1,283,743	1,233,533
Telephone	269,769	262,656
Travelling expenses - International	25,118	4,092
Union Rep Kits	13,421	46,300
Union Shopper Fee	105,199	103,220
World Indigenous Conference	32,105	0
SUB-TOTAL C/FWD	\$18,644,989	\$17,557,986

DETAILED INCOME AND EXPENDITURE ACCOUNTS Cont.

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	\$	\$
SUB-TOTAL B/F	18,644,989	17,557,986
SPECIAL PROJECTS		
Gandu Jarjum	1,169	4,489
Educational Leaders	14,532	4,483
Professional issues	-	969
Special Education	283	2,358
Social Issues	469	-
TAFE	2,121	2,924
Working Conditions	-	2,018
Women Teachers & Girls Education	1,858	1,923
SUB-TOTAL SPECIAL PROJECTS	20,432	19,164
TOTAL EXPENSES	\$18,665,421	\$17,577,150

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