



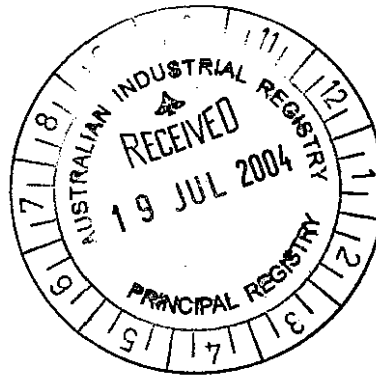
Australian Education Union

FR2003/65c

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Ref.: 31.1.1



15 July 2004

Mr Nicholas Wilson
Industrial Registrar
GPO Box 1994S
MELBOURNE VIC 3001

Dear Mr Wilson,

**Re: Financial Documents for the Australian Education Union
for year ended 30 September 2003**

In accordance with s280(1) of the Workplace Relations Act 1996, I hereby lodge:

- (a) Copies of the AEU accounts and the Auditor's Report for the year ending 30 September 2003.
- (b) Secretary's Certificate that the documents lodged are copies of the documents presented to the meeting of the Federal Executive of the Australian Education Union on 10 June 2004, this being the first Federal Executive meeting held following the supply of the accounts and the Auditor's report to members.
- (c) The Federal Executive's Certificate (Committee of Management) regarding the above.
- (d) The Accounting Officer's Certificate regarding the above.
- (e) Copy of the summary produced under s279(2) of the Act which was provided to members on the AEU website at www.aeufederal.org.au/About/2003Accounts.pdf. Notification of the Summary's availability on the website was printed on page 3 of the Autumn edition of national magazine of the Union. A copy of this is also included.

Yours sincerely,

Susan Hopgood
Deputy Federal Secretary

SECRETARY'S CERTIFICATE

I, SUSAN LOUISE HOPGOOD, Deputy Federal Secretary, Australian Education Union do certify that:

1. The Federal Executive of the above-mentioned organisation held a meeting in accordance with the rules on 16 January 2004 (the FIRST MEETING) at which the Executive passed a resolution concerning the accounts as presented.
2. The Federal Executive held a meeting on Thursday 10 June 2004 (the SECOND MEETING) at which the documents as attached are copies of documents which were presented at that meeting.



.....
SUSAN LOUISE HOPGOOD

15 July 2004

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

BRAMWELL GILES LEECHMAN & ASSOCIATES
Chartered Accountants

Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004
PO Box 6094 St Kilda Road Central VIC 8008
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AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

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AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Notes	2003 \$	2002 \$
Revenue from ordinary activities	3	3,478,344	3,210,384
General expenses		(503,429)	(452,729)
Salary expenses	19	(1,385,813)	(1,448,711)
Meeting and conference expenses		(305,007)	(266,814)
AEU allocation		(110,657)	(95,674)
Australian Educator		(450,978)	(452,074)
Special projects		(31,999)	(28,593)
TAFE expenses		<u>(114,504)</u>	<u>(106,598)</u>
Surplus from ordinary activities		575,957	359,191
Transfer to allocated fund reserve	14	(22,000)	(36,200)
Transfer to Election reserve	14	<u>(78,100)</u>	<u>-</u>
Total changes in equity of the entity		<u>475,857</u>	<u>322,991</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2003**

	Notes	2003 \$	2002 \$
CURRENT ASSETS			
Cash assets	6	1,702,416	1,144,573
Receivables	7	156,433	169,326
Other	8	<u>27,291</u>	<u>28,167</u>
TOTAL CURRENT ASSETS		<u>1,886,140</u>	<u>1,342,066</u>
NON-CURRENT ASSETS			
Receivables	7	164,156	-
Other financial assets	9	853,747	811,152
Property, plant and equipment	10	<u>379,214</u>	<u>401,840</u>
TOTAL NON-CURRENT ASSETS		<u>1,397,117</u>	<u>1,212,992</u>
TOTAL ASSETS		<u>3,283,257</u>	<u>2,555,058</u>
CURRENT LIABILITIES			
Payables	11	456,187	355,283
Interest-bearing liabilities	12	43,650	10,083
Provisions	13	<u>252,956</u>	<u>256,689</u>
TOTAL CURRENT LIABILITIES		<u>752,793</u>	<u>622,055</u>
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	12	128,449	133,613
Provisions	13	<u>307,996</u>	<u>281,328</u>
TOTAL NON-CURRENT LIABILITIES		<u>436,445</u>	<u>414,941</u>
TOTAL LIABILITIES		<u>1,189,238</u>	<u>1,036,996</u>
NET ASSETS		<u>2,094,019</u>	<u>1,518,062</u>
MEMBERS' FUNDS			
Reserves	14	279,800	179,700
Accumulated surplus	15	<u>1,814,219</u>	<u>1,338,362</u>
TOTAL MEMBERS' FUNDS		<u>2,094,019</u>	<u>1,518,062</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Notes	2003 \$	2002 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts of subscriptions		3,236,853	3,252,475
Sundry receipts		460,582	135,143
Payments to suppliers and employees		(2,895,852)	(3,236,235)
Interest received		39,894	28,947
Borrowing costs		<u>(9,306)</u>	<u>(9,332)</u>
Net cash provided by operating activities	19 (b)	<u>832,171</u>	<u>170,998</u>
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(23,533)	(51,373)
Payment for investments		<u>(42,595)</u>	<u>(76,680)</u>
Net cash used in investing activities		<u>(66,128)</u>	<u>(128,053)</u>
CASH FLOW FROM FINANCING ACTIVITIES			
Loan advanced		(200,759)	-
Repayment of borrowings		<u>(41,008)</u>	<u>(171,641)</u>
Net cash used in financing activities		<u>(241,767)</u>	<u>(171,641)</u>
Net increase/(decrease) in cash held		524,276	(128,696)
Cash at beginning of financial year		<u>1,144,573</u>	<u>1,273,269</u>
Cash at end of financial year	19 (a)	<u>1,668,849</u>	<u>1,144,573</u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The Australian Education Union - Federal Office (the AEU) is a registered body under the Workplace Relations Act 1996. The purpose of the AEU is to protect and improve employment conditions and entitlements of members within the education sector.

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements of the Australian Accounting Standards Board.

The financial report has been prepared on an accruals basis and is based on historical costs. It does not take into account changing money values or, except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

(a) Income Tax

No provision for income tax has been raised as the entity is exempt from income tax under Division 50 of the Income Tax Assessment Act 1997.

(b) Property, Plant and Equipment

Each class of property plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Property

Freehold land and buildings are measured on the fair value basis being the amount which an asset could be exchanged between knowledgeable willing parties in an arm's length transaction. It is the policy of the entity to have an independent valuation every three years, with annual appraisals being made by the Committee of Management.

Plant and equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Committee of Management to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the entity are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the entity will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

(d) Investments

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by Committee of Management to ensure it is not in excess of the recoverable amount of these investments. The recoverable amount is assessed from the quoted market value for shares in listed companies or the underlying net assets for other non-listed corporations. The expected net cash flows from investments have not been discounted to their present value in determining the recoverable amounts.

(e) Employee Benefits

Provision is made for the entity's liability for employee benefits arising from services rendered by employees to balance date. Employee benefits expected to be settled within one year together with benefits arising from wages and salaries, annual leave and sick leave which will be settled after one year, have been measured at the amounts expected to be paid when the liability is settled plus related on-costs. Other employee benefits payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those benefits.

Contributions are made by the entity to an employee superannuation fund and are charged as expenses when incurred.

(f) Cash

Cash includes cash on hand and at banks including at call deposits with banks. Cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months which are readily convertible to cash on hand and are subject to an insignificant risk of change in value, and net of bank overdrafts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(g) Revenue

- (i) Capitation fee and levies are recognised when the right to receive the fee has been established.
 - (ii) Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.
 - (iii) Other revenue is recognised when the right to receive the revenue has been established.
- All revenue is stated net of the amount of goods and services tax (GST).

(h) Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR

In accordance with the requirements of the Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 274 which reads as follows:

- (1) A member of an Organisation, or Registrar, may apply to the Organisation for specified prescribed information in relation to the Organisation.
- (2) An Organisation shall, on application under subsection (1) by a member of the Organisation, or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time as is prescribed.
- (3) A Registrar may only make an application under subsection (1) at the request of a member of the Organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Note	2003 \$	2002 \$
NOTE 3: REVENUE			
Operating activities			
- Capitation fees and levies		2,945,260 ✓	2,862,070
- TAFE income		28,871 ✓	18,134
- Australian Educator		70,094 ✓	75,348
- AEU Centre		<u>180,456 ✓</u>	<u>24,545</u>
		<u>3,224,681 ✓</u>	<u>2,980,097</u>
Non - operating activities			
- interest		42,512 ✓	28,947
- rent		116,903 ✓	105,903
- other revenue		<u>94,248 ✓</u>	<u>95,437</u>
		<u>253,663</u>	<u>230,287</u>
Total Revenue		<u>3,478,344 ✓</u>	<u>3,210,384</u>
(a) Interest from:			
- AEU ACT Branch for loan		2,618	-
- other persons		<u>39,894</u>	<u>28,947</u>
		<u>42,512</u>	<u>28,947</u>
NOTE 4: SURPLUS FROM ORDINARY ACTIVITIES			
The surplus from ordinary activities has been determined after:			
(a) Expenses:			
Borrowing costs:			
- other persons		9,306	9,332
Depreciation of non-current assets			
- capitalised assets		31,657	32,519
Bad and doubtful debts:			
- trade debtors		6,653	-
Remuneration of the auditors for:			
- audit services		15,000	14,500
Net loss on disposal of non-current assets			
- Property, plant and equipment		14,502	2,407

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

Note	2003 \$	2002 \$
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NOTE 5: RELATED PARTY TRANSACTIONS

(a) Federal Executives' remuneration

The number of members of the Federal Executive whose income from the entity or any related parties was within the following bands:

	No.	No.
\$0 - \$9,999	26	21
\$70,000 - \$79,999	1	-
\$100,000 - \$119,000	-	1

The names of members of the Federal Executive who have held office during the financial year are:

Ann Taylor	Clive Hagger
Julie-Ann McCullough	Mary Bluett
Molly Kreidl	Pat Forward
Mike Poate	Pat Byrne (appointed on 14 April 2003)
Robert Laird	Hayden Bromley
Jennifer Leete	Janet Giles (resigned on 21 March 2003)
Maree O'Halloran	John Gregory
Angelo Gavrielatos (appointed on 17 August 2003)	Barry Johnson (proxy for Brenda Symour on 17 August 2003)
Steve Ryan (proxy for Molly Kreidl on 19 June 2003)	Dan Farmer (appointed on January 2003)
David Kelly (appointed on November 2002)	Brian Henderson (proxy for Mary Bluett on 29 October 2003)
John Battams (proxy for Julie-Ann McCullough on 19 June 2003))	Denise Fitzgerald (resigned on 15 March 2003)
Neil Free	Denise Bainbridge (proxy for Julie-Ann McCullough on 19 June 2003)
Lynette Winch (proxy for Steven Ryan on 21 March 2002)	Graham Moloney(proxy for Steven Ryan on 14 November 2002)
Rosalie Kinson (proxy for Mary Bluett on 14 November 2002)	

The member of Secretariat who have held office during the financial year are:

Rob Durbridge	Susan Hopgood
Michaela Kronemann	Roy Martin
Darcel Moyle	

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Note	2003 \$	2002 \$
NOTE 6: CASH ASSETS			
Cash on hand		2,721	3,420
Cash at bank		<u>1,699,695</u>	<u>1,141,153</u>
		<u>1,702,416</u>	<u>1,144,573</u>
NOTE 7: RECEIVABLES			
CURRENT			
Trade debtors		126,958	169,326
Loan to AEU ACT Branch	(a)	<u>29,475</u>	<u>-</u>
		<u>156,433</u>	<u>169,326</u>
NON-CURRENT			
Loan to AEU ACT Branch	(a)	<u>164,156</u>	<u>-</u>
 (a) The AEU - Federal Office loaned the AEU - ACT Branch \$ 200,000 (2002: \$NIL) secured by an unregistered mortgage over land and buildings owned by the AEU - ACT Branch. This loan is to be repaid over a period of 72 months starting 1 August 2003. Interest is charged at a rate which is .5% above the 90 day bank rate and is determined 3 months in advance			
NOTE 8: OTHER ASSETS			
CURRENT			
Prepayments		<u>27,291</u>	<u>28,167</u>
NOTE 9: OTHER FINANCIAL ASSETS			
NON-CURRENT			
Other investments			
- Units in FEU Trust		<u>853,747</u>	<u>811,152</u>
NOTE 10: PROPERTY, PLANT AND EQUIPMENT			
PLANT AND EQUIPMENT			
(a) NT Property			
At cost		323,786	323,786
Less accumulated depreciation		<u>(16,820)</u>	<u>(8,063)</u>
		<u>306,966</u>	<u>315,723</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Note	2003 \$	2002 \$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (Continued)			
(b) Office equipment			
At cost		143,310	186,498
Less accumulated depreciation		<u>(92,181)</u>	<u>(127,823)</u>
		<u>51,129</u>	<u>58,675</u>
(c) Furniture, fixtures and fittings			
At cost		147,079	165,264
Less accumulated depreciation		<u>(125,960)</u>	<u>(137,822)</u>
		<u>21,119</u>	<u>27,442</u>
Total property, plant and equipment		<u>379,214</u>	<u>401,840</u>

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year

	Office equipment \$	Furniture, fixtures & fittings \$	NT Property \$	Total \$
2003				
Carrying amount at the beginning of the year	58,675	27,442	315,723	401,8
Additions	23,533	-	-	23,5
Disposals	(12,667)	(1,835)	-	(14,5
Depreciation expense	<u>(18,412)</u>	<u>(4,488)</u>	<u>(8,757)</u>	<u>(31,6</u>
Carrying amount at end of year	<u>51,129</u>	<u>21,119</u>	<u>306,966</u>	<u>379,2</u>

NOTE 11: PAYABLES

CURRENT

Unsecured liabilities

Trade creditors	437,582	337,961
Sundry creditors and accruals	<u>18,605</u>	<u>17,322</u>
	<u>456,187</u>	<u>355,283</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Note	2003 \$	2002 \$
NOTE 12: INTEREST BEARING LIABILITIES			
CURRENT			
Bank overdrafts		33,567	-
Secured liabilities			
Bank loan	(a)	<u>10,083</u>	<u>10,083</u>
		<u>43,650</u>	<u>10,083</u>
NON-CURRENT			
Secured liabilities			
Bank loan	(a)	<u>128,449</u>	<u>133,613</u>
(a) The bank loan is secured by the Union's NT property.			
NOTE 13: PROVISIONS			
CURRENT			
Employee benefits	(a)	235,290	239,576
Other		<u>17,666</u>	<u>17,113</u>
		<u>252,956</u>	<u>256,689</u>
NON-CURRENT			
Employee benefits	(a)	<u>307,996</u>	<u>281,328</u>
(a) Aggregate employee benefits liability		<u>543,286</u>	<u>520,904</u>
(b) Number of employees at year end		<u>18</u>	<u>19</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Note	2003 \$	2002 \$
NOTE 14: RESERVES			
Election reserve	(a)	221,600	143,500
Allocated fund reserve	(b)	<u>58,200</u>	<u>36,200</u>
		<u>279,800</u>	<u>179,700</u>

(a) Election reserve

Movements during the financial year:

Opening balance	143,500	143,500
Funds allocated for year	<u>78,100</u>	<u>-</u>
Closing balance	<u>221,600</u>	<u>143,500</u>

The Election Reserve records funds set aside from the surplus for the purpose of funding expenditure on future elections.

(b) Allocated fund reserve

Movements during the financial year:

Opening balance	36,200	-
Funds allocated for year	<u>22,000</u>	<u>36,200</u>
Closing balance	<u>58,200</u>	<u>36,200</u>

The allocated fund reserve was used to record amounts set aside to fund future projects.

NOTE 15: ACCUMULATED SURPLUS

Accumulated surplus at the beginning of the financial year	1,338,362	1,015,371
Net surplus attributable to members of the entity	575,957	359,191
Transfers to reserves	<u>(100,100)</u>	<u>(36,200)</u>
Accumulated surplus at the end of the financial year	<u>1,814,219</u>	<u>1,338,362</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Note	2003 \$	2002 \$
NOTE 16: CAPITAL AND LEASING COMMITMENTS			
(a) Operating lease commitments			
Non-cancellable operating leases contracted for but not capitalised in the financial statements:			
Payable			
- not later than one year		43,699	43,912
- later than one year and not later than five years		<u>-</u>	<u>43,699</u>
		<u>43,699</u>	<u>87,611</u>
General description of leasing arrangement:			
Leasing of franking machine and photocopier			

NOTE 17: RELATED PARTY TRANSACTIONS

(a) During the year, AEU received \$33,000 (2002: \$33,600) from the Australian Education Union International Fund as administration fees.

(b) The AEU occupies premises owned by the Federation Education Unions Trust in which the AEU has an interest. During the year, AEU received \$102,423 (2002: \$90,114) from the Federation Education Union Trust as rent and paid \$109,124 (2002: \$117,664) as outgoings.

(c) The AEU NT building is currently occupied by AEU - NT Branch. During the year, the AEU received \$10,116 (2002: \$10,120) as rent.

NOTE 18: SEGMENT REPORTING

The AEU operates in the area of education primarily within Australia.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Note	2003 \$	2002 \$
NOTE 19: CASH FLOW INFORMATION			
(a) Reconciliation of cash			
Cash at the end of the financial year as shown in the statement of Cash Flows is reconciled to the related items in the statement of financial position as follows:			
Cash on hand		2,721	3,420
Cash at bank		1,699,695	1,141,153
At call deposits with financial institutions		-	833,656
Bank overdrafts		<u>(33,567)</u>	<u>-</u>
		<u>1,668,849</u>	<u>1,978,229</u>
 (b) Reconciliation of cash flow from operations with surplus from ordinary activities			
Surplus from ordinary activities		575,957	359,191
Non-cash flows in surplus from ordinary activities			
Amortisation		31,657	32,519
Charges to provisions		22,935	67,905
Write-off of capitalised expenditure		14,502	2,407
Changes in assets and liabilities			
(Increase)/decrease in receivables		49,496	(27,757)
(Increase)/decrease in other assets		876	(12,265)
Increase/(decrease) in payables		<u>136,748</u>	<u>(251,002)</u>
Cash flows from operations		<u>832,171</u>	<u>170,998</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

NOTE 20: FINANCIAL INSTRUMENTS

(a) Interest Rate Risk

The entity'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 classes of financial assets and financial liabilities, is as follows:

	Weighted Average		Fixed Interest Rate Maturing					
	Effective Interest Rate		Floating Interest Rate		Within 1 Year		1 to 5 Years	
	2003 %	2002 %	2003 \$	2002 \$	2003 \$	2002 \$	2003 \$	2002 \$
Financial Assets:								
Cash	0.50	0.50	1,699,695	1,141,153	-	-	-	-
Receivables	5.30	-	<u>193,631</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Financial Assets			<u>1,893,326</u>	<u>1,141,153</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial Liabilities:								
Bank loans and overdrafts	-	-	<u>172,099</u>	<u>143,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Financial Liabilities			<u>172,099</u>	<u>143,696</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

NOTE 20: FINANCIAL INSTRUMENTS (Continued)

	Fixed Interest Rate Maturing Over 5 Years		Non-Interest Bearing		Total	
	2003	2002	2003	2002	2003	2002
	\$	\$	\$	\$	\$	\$
Financial Assets:						
Cash	-	-	2,721	3,420	1,702,416	1,144,573
Receivables	-	-	126,958	169,326	320,589	169,326
Investments	-	-	853,747	811,152	853,747	811,152
Total Financial Assets	-	-	983,426	983,898	2,876,752	2,125,051
Financial Liabilities:						
Bank loans and overdrafts	-	-	-	-	172,099	143,696
Trade and sundry creditors	-	-	456,187	355,283	456,187	355,283
Total Financial Liabilities	-	-	456,187	355,283	628,286	498,979

(b) Credit Risk

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 provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial report.

The entity does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the entity.

(c) Net Fair Values

For other assets and other liabilities the net fair value approximates their carrying value.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	Note	2003 \$	2002 \$
NOTE 21: SALARY EXPENSES			
Professional development		862	11,716
Salary expenses		400,122	458,658
Officers salaries		551,345	585,604
Support staff salaries		<u>433,484</u>	<u>392,733</u>
		<u>1,385,813</u>	<u>1,448,711</u>

NOTE 22: ENTITY DETAILS

The principal place of business of the entity is:

Australian Education Union - Federal Office

120 Clarendon Street

South Melbourne Vic 3205

The principal activity of the entity during the financial year was promotion of union activities within the education sector.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE


STATUTORY STATEMENT

ACCOUNTING OFFICER'S CERTIFICATE

I, Rob Durbridge, being the officer responsible for keeping the accounting records of the Australian Education Union - Federal Office certify that as at 30 September 2003 the number of members of Organisation was 155,120.

In my opinion:

- (a) the attached accounts show a true and fair view of the financial affairs of the Australian Education Union - Federal Office as at 30 September 2003 ;
- (b) a record has been kept of all moneys paid by, or collected from members and all moneys so paid or collected have been credited to the bank account to which those moneys are to be credited in terms of the rules of Australian Education Union - Federal Office ;
- (c) before any expenditure was incurred, approval of the incurring of the expenditure obtained in accordance with the rules of Australian Education Union - Federal Office ;
- (d) no payments were made out of any funds raised by compulsory levies or voluntary contributions from members or other funds other than the general fund operated in accordance with the rules, for purposes other than those for which the fund was operated ;
- (e) no loans or other financial benefits, other than remuneration in respect of their full-time employment with Australian Education Union - Federal Office, were made to persons holding office in Australian Education Union - Federal Office ;
- (f) the register of members of the Australian Education Union - Federal Office maintained in accordance with the Workplace Relations Act ; and
- (g) the attached accounts have been prepared in accordance with applicable Australian Accounting Standards, Urgent Issues Group Consensus Views and other authoritative pronouncements.



Rob Durbridge

Dated: 14 January 2004 

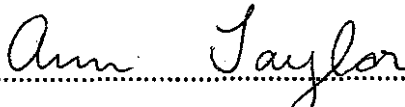
Melbourne

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

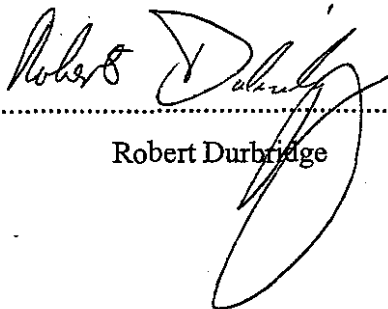
COMMITTEE OF MANAGEMENT CERTIFICATE

We, Robert Durbridge and Ann Taylor, being two members of the Federal Executive of the Australian Education Union - Federal Office do state that on behalf of the Federal Executive and in accordance with resolution passed by the Federal Executive that:

- (a) in the opinion of the Federal Executive the attached accounts are drawn up so as to give true and fair view of the state of affairs of Australian Education Union - Federal Office as at 30 September 2003 ;
- (b) in the opinion of the Federal Executive meetings of the Federal Executive were held during the financial year in accordance with the rules of the Australian Education Union - Federal Office ;
- (c) to the knowledge of any members of the Federal Executive there have been no instance where records or other documents (not being documents containing information made available to a member under subsection 274 (2) of the Workplace Relations Act, 1996) or copies of those records or other documents, or copies of the rules of the Australian Education Union - Federal Office that have not been furnished or made available to members in accordance with the Workplace Relations Act, 1996, Regulations or the rule as the case may be;
- (d) the Australian Education Union - Federal Office has, in relation to the Auditor's Report on the accounts and statements in respect of the year ended 30 September 2002 complied with the provisions of Sec. 279(1) and 279(6) of the Workplace Relations Act 1996;
- (e) the financial report complies applicable Australian Accounting Standards, Urgent Issue Group Consensus Views and other authoritative pronouncements; and
- (f) there are reasonable grounds to believe that the Union will be able to pay its debts as and when they become due and payable.



Ann Taylor



Robert Durbridge

Dated this

17 January 2004

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**INDEPENDENT AUDIT REPORT TO THE MEMBERS OF
AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**

Scope

We have audited the financial report of Australian Education Union - Federal Office for the financial year ended 30 September 2003 comprising of the Accounting Officer Certificate, Committee of Management Certificate, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flow and notes to the financial statements. The Committee of Management responsible for the financial report We have conducted an independent audit of this financial report in order to express an opinion on it to the members

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures include examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and the Workplace Relations Act 1996 so as to present a view which is consistent with our understanding of the entity's financial position, the results of its operations and its cash flows.

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

Audit Opinion

In our opinion,

(a) satisfactory accounting records have been kept by the Australian Education Union - Federal Office, so far as appears from our examination of these books including:

- (i) records of the sources and nature of the income of the Australian Education Union - Federal Office (including income from members), and
- (ii) records of the nature and purposes of expenditure of Australian Education Union - Federal Office and

(b) the accompanying accounts and statements prepared in accordance with section 273 of the Workplace Relations Act 1996 are properly drawn up so as to give a true and fair view of:

- (a) the financial affairs of the Australian Education Union - Federal Office as at 30 September 2003
- (b) the income and expenditure, and any surplus or deficit of the Australian Education Union - Federal Office for the year; and

(c) the accounts have been prepared in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements.

Where necessary we have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit.

Bramwell Giles Leechman & Associates

Bramwell Giles Leechman & Associates
Chartered Accountants
Suite One, Ground Floor
598 St Kilda Road
Melbourne VIC 3004

I. A. Hinds

I. A. Hinds - A.C.A.
Partner

14 January 2004
Melbourne

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**DISCLAIMER TO THE MEMBERS OF
AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**

The additional financial data presented on pages 23 - 25 is in accordance with the books and records of the entity which have been subjected to the auditing procedures applied in our statutory audit of the entity for the financial year ended 30 September 2003. It will be appreciated that our statutory audit did not cover all details of the additional financial data. Accordingly, we do not express an opinion on such financial data and we give no warranty of accuracy or reliability in respect of the data provided. Neither the firm nor any member or employee of the firm undertakes responsibility in any way whatsoever to any person (other than Australian Education Union - Federal Office) in respect of such data, including any errors or omissions therein however caused.

Bramwell Giles Leechman & Associates

Bramwell Giles Leechman & Associates
Chartered Accountants
Suite One, Ground Floor
598 St Kilda Road
Melbourne VIC 3004

I. A. Hinds

I. A. Hinds - A.C.A.
Partner

14 January 2004

Melbourne

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	2003 \$	2002 \$
INCOME		
Capitation fees and levies	2,945,260	2,862,070
AEU Centre	180,456	24,545
TAFE	28,871	18,134
Australian Educator	70,094	75,348
Interest Income	42,512	28,947
Rental income	116,903	105,903
Library Income	52,122	56,484
ITF	33,000	33,600
Other income	<u>9,126</u>	<u>5,353</u>
TOTAL INCOME	<u>3,478,344</u>	<u>3,210,384</u>
LESS EXPENSES		
General expenses		
Administration expenses	156,241	166,545
Assets written off	14,502	2,407
Audit fees	15,000	14,500
Building expenses	128,942	133,805
Capital equipment & software	6,832	8,262
Depreciation & amortisation	31,657	32,519
Entertainment	5,721	10,675
Legal expenses	6,416	15,177
Library expenses	33,603	26,269
Election expenses	69,529	-
Affiliation fee	7,107	4,694
AEU review	-	14,552
Overseas travel	23,776	19,274
Miscellaneous expenses	<u>4,103</u>	<u>4,050</u>
Total general expenses	<u>503,429</u>	<u>452,729</u>
Salary expenses		
Salary expenses	400,122	458,658
Salaries and wages	984,829	978,337
Professional development	<u>862</u>	<u>11,716</u>
Total salary expense	<u>1,385,813</u>	<u>1,448,711</u>

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

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	2003 \$	2002 \$
Expenses brought forward	3,778,484	3,802,880
Meeting / Conference expenses		
Annual conference	31,507	25,513
Officers travel & allowances	103,251	104,869
Executive meeting	56,412	35,968
Conferences & representation	53,976	46,795
OTPM	8,585	-
National/other meetings	45,760	43,066
Project/campaign committee meetings	<u>5,516</u>	<u>10,603</u>
Total meeting / Conference expenses	<u>305,007</u>	<u>266,814</u>
AEU Allocations/Promotions		
ITF allocation	80,000	80,000
National and other promotions	<u>30,657</u>	<u>15,674</u>
Total AEU Allocations/Promotions	<u>110,657</u>	<u>95,674</u>
Australian Educator		
Magazine production	<u>450,978</u>	<u>452,074</u>
Total Australian Educator	<u>450,978</u>	<u>452,074</u>
Special Projects		
AEU research Projects	17,446	-
AEU educational campaigns	14,553	4,700
VETIS	<u>-</u>	<u>23,893</u>
Total special projects	<u>31,999</u>	<u>28,593</u>
TOTAL AEU EXPENSES	<u>2,787,883</u>	<u>2,744,595</u>

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

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	2003 \$	2002 \$
Expenses brought forward	8,363,649	8,233,785
TAFE Expenses		
Annual meeting	23,407	30,958
Executive	24,515	16,189
Travel & deputation	82	1,261
Administration	1,912	1,543
Tafe Organizer Committee	10,018	16,462
Women Committee	6,884	12,542
ATSIE Committee	14,466	9,091
President travel	8,420	6,698
National Campaign	<u>24,800</u>	<u>11,854</u>
Total TAFE Expenses	<u>114,504</u>	<u>106,598</u>
TOTAL EXPENSES	<u>2,902,387</u>	<u>2,851,193</u>
 OPERATING SURPLUS	 575,957	 359,191
ACCUMULATED SURPLUS AT BEGINNING OF FINANCIAL YEAR	1,338,362	1,015,371
Amount transferred to reserves	<u>(100,100)</u>	<u>(36,200)</u>
ACCUMULATED SURPLUS AT END OF FINANCIAL YEAR	<u>1,814,219</u>	<u>1,338,362</u>

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



AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**SUMMARY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

BRAMWELL GILES LEECHMAN & ASSOCIATES

Chartered Accountants

Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004

PO Box 6094, St Kilda Road Central VIC 8008

Telephone (03) 9525 2511 Fax (03) 9525 2829

Email: bgl@bglassociates.com.au

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

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Summary Statement of Income & Expenditure

Summary Balance Sheet

Summary Statement of Cash Flows

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

AUDITORS' CERTIFICATE
FOR THE YEAR ENDED 30 SEPTEMBER 2003

We certify that the attached summary is a fair and accurate summary of the Statement of Income and Expenditure, Statement of Financial Position, Statement of Cash Flows and Notes to and Forming Part of the Accounts of the Australian Education Union - Federal Office for the year ended 30 September 2003.

Our Auditors' Report dated 14 January 2004 on the Financial Statements did not contain particulars of any deficiency, failure or shortcoming as referred to in the Workplace Relations Act 1996.

Bramwell Giles Leechman & Associates

Bramwell Giles Leechman & Associates
Chartered Accountants

I. A. Hinds

I. A. Hinds - A.C.A.
Partner

Melbourne

Dated:

14 January 2004

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**SUMMARY OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

The Financial Statements of the Australian Education Union - Federal Office have been audited in accordance with the provisions of the Workplace Relations Act 1996 (the Act), and the following summary is provided for members in accordance with Section 279 (1) of the Act.

A copy of the Auditors' Report, Accounts and Statements will be supplied free of charge to members who request them.

Certificates required to be given under the Act by the Accounting Officer and the Federal Executive have been completed in accordance with the provisions of the Act and contain no qualifications.

In accordance with the requirements of the Act, the attention of members is drawn to the provisions of subsections (1), (2) and (3) of Section 274 which reads as follows:

(1) A member of an Organisation, or Registrar, may apply to the Organisation for specified prescribed information in relation to the Organisation.

(2) An Organisation shall, on application under subsection (1) by a member of the Organisation, or a Registrar, make the specified information available to the member or Registrar in such manner, and within such time as is prescribed.

(3) A Registrar may only make an application under subsection (1) at the request of a member of the Organisation concerned, and the Registrar shall provide to a member information received because of an application made at the request of the member.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

**SUMMARY INCOME AND EXPENDITURE STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2003**

	2003	2002
	\$	\$
INCOME		
Capitation fees and levies	2,945,260	2,862,070
TAFE	28,871	18,134
Other income	<u>504,213</u>	<u>330,180</u>
TOTAL INCOME	3,478,344	3,210,384
TOTAL EXPENSES	<u>2,902,387</u>	<u>2,851,193</u>
OPERATING SURPLUS	575,957	359,191
ACCUMULATED SURPLUS AT BEGINNING OF FINANCIAL YEAR	1,338,362	1,015,371
Amount transferred to allocated fund reserves	22,000	36,200
Amount transferred to election reserves	<u>78,100</u>	<u>-</u>
ACCUMULATED SURPLUS AT END OF FINANCIAL YEAR	<u><u>1,814,219</u></u>	<u><u>1,338,362</u></u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

SUMMARY STATEMENT OF FINANCIAL POSITION
AS AT 30 SEPTEMBER 2003

	2003 \$	2002 \$
ASSETS		
Current Assets	1,886,140	1,342,066
Non-current assets	<u>1,397,117</u>	<u>1,212,992</u>
TOTAL ASSETS	<u>3,283,257</u>	<u>2,555,058</u>
LIABILITIES		
Current liabilities	752,793	622,055
Non-current liabilities	<u>436,445</u>	<u>414,941</u>
TOTAL LIABILITIES	<u>1,189,238</u>	<u>1,036,996</u>
NET ASSETS	<u>2,094,019</u>	<u>1,518,062</u>
MEMBERS FUND		
Reserves	279,800	179,700
Accumulated Surplus	<u>1,814,219</u>	<u>1,338,362</u>
TOTAL MEMBERS FUND	<u>2,094,019</u>	<u>1,518,062</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

SUMMARY STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 SEPTEMBER 2003

	2003 \$	2002 \$
Net cash provided by operating activities	832,171	170,998
Net cash used in investing activities	(66,128)	(128,053)
Net cash used in financing activities	<u>(241,767)</u>	<u>(171,641)</u>
Net increase/(decrease) in cash held	524,276	(128,696)
Cash at beginning of financial year	<u>1,144,573</u>	<u>1,273,269</u>
Cash at end of financial year	<u>1,668,849</u>	<u>1,144,573</u>



Australian

ducator

AUTUMN 2004

FRONTLINE

ADVOCATE

- 4 **Public education—It is our future** The campaign to end the inequity in Federal Government funding to schools was a key theme of the AEU's annual conference, held in January.
- 9 **Yes, let's talk about values!** Prime Minister John Howard's extraordinary claim in January that public schools are "values neutral" and "too politically correct" got the massive public backlash it deserved.
- 10 **Turning the tide** With an election approaching, the AEU is raising the stakes for politicians in its fight for more equitable education funding.

FORUM

- 12 **Funds transfer** Three public school teachers imagine what they would do if they had the same funding as a private school.

REFUGEES

- 14 **Lessons behind the wire** Jenni Devereaux reports on refugee children being held in detention or living on temporary protection visas.

BACKCHAT

BOOKS

- 36

EMAIL FROM...

- 38 **Pas de deux** A unique secondary school provides young dancers with professional training as well as a thorough academic education.

INSIGHT

NEW TEACHERS

- 18 **Baptism by fire** The rigours of the real-life classroom can come as a rude shock to new teachers, many of whom struggle to survive their first year.

TRAINING

- 20 **On track** The push for Indigenous studies to be included in teacher training is finally getting results.

MULTI-AGE

- 22 **Mixed blessings** Multi-age primary school classes are popular again, but opinions are divided on the benefits for both students and teachers.

STEINER

- 26 **Eyes wide open** Begun in 1919 in a factory for the children of the workers, Steiner education is now back in the public domain.

INTERNATIONAL

- 32 **Where's the teacher?** Classroom chaos looms in the United Kingdom, as the Blair government's deregulation puts teaching assistants in charge.
- 34 **In the heart of an African tragedy** Teachers in Zimbabwe are dealing with one of the highest AIDS rates in the world. Union leader Dennis Sinyolo visited Australia in January and spoke to the AEU.
- 35 **A campaign of terror** Teacher Sue Simpson spent an "intense and confronting" time in Colombia last year as part of an ACTU delegation to visit the "most dangerous place in the world to be a trade unionist".

A summary of the AEU financial statements for the year ending 30 September 2003 is available at www.aeufederal.org.au

 www.aeufederal.org.au



Australian Government
Australian Industrial Registry

Level 35, Nauru House
80 Collins Street, Melbourne, VIC 3000
GPO Box 1994S, Melbourne, VIC 3001
Telephone: (03) 8661 7777
Fax: (03) 9654 6672

Ms Susan Hopgood
Deputy Federal Secretary
Australian Education Union
P.O. Box 1158
SOUTH MELBOURNE VIC 3205

Dear Ms Hopgood,

**Re: Australian Education Union
Financial documents for year ended 30 September 2003
FR2003/659**

Receipt is acknowledged of the financial documents of the Australian Education Union for the year ended 30 September 2003. The documents were lodged in the Industrial Registry on 19 July 2004.

The documents have been filed.

New legislation

As previously advised, the Workplace Relations (Registration and Accountability of Organisations) legislation (the RAO legislation) generally came into operation on 12 May 2003.

Many of the provisions relating to registered organisations previously contained in the *Workplace Relations Act 1996* (WR Act) are now replicated in the Registration and Accountability of Organisations Schedule (**the RAO Schedule**), with some amendments. Other matters are substantially changed by the RAO Schedule, particularly the financial reporting requirements.

The abovenamed organisation has correctly completed and lodged its financial documents for the financial year ended 30 September 2003 under the WR Act. However, the reporting obligations for the financial year ending 30 September 2004 will be governed by the requirements of the RAO Schedule.

Accordingly, you may wish to bring the requirements of the new legislation to the attention of the organisation's auditor.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Ruth Hansen'.

Ruth Hansen
Statutory Services Branch

22 July 2003