



**Australian Government**  
**Australian Industrial Registry**

Level 35, Nauru House  
80 Collins Street, Melbourne, VIC 3000  
GPO Box 1994, Melbourne, VIC 3001  
Telephone: (03) 8661 7799  
Fax: (03) 9654 6672

Ms Susan Hopgood  
Federal Secretary  
Australian Education Union  
120 Clarendon Street  
SOUTHBANK VIC 3006

By email: [aeu@aeufederal.org.au](mailto:aeu@aeufederal.org.au)

Dear Ms Hopgood,

**Re: Financial Documents - year ended 30 September 2005 (FR2005/668)**  
**Schedule 1B - Workplace Relations Act 1996 (RAO Schedule)**

I have received the financial report and concise report for the Federal Office of the Australian Education Union for the year ended 30 September 2005. The documents were lodged in the Registry on 6 April 2006.

This is the second lodgment by the organisation of its audited financial reports under the Registration and Accountability of Organisations (RAO) Schedule which commenced on 12 May 2003. Such financial accounts are also required to comply with the Industrial Registrar's Reporting Guidelines issued under s253 of the RAO Schedule.

The documents have been filed.

Donations

As the accounts disclosed an amount for donations of \$3,939 the branch should provide information regarding any donation made in excess of \$1,000 in accordance with s237 of the RAO Schedule. A form is enclosed for this purpose.

If you have any queries please contact me on (03) 8661 7990.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Andrew Schultz', written over a horizontal line.

Andrew Schultz  
Statutory Services Branch

19 April 2006



## Statement of loans, grants and donations exceeding \$1,000 for financial year ending / /

Please refer to section 237 of the Registration and Accountability of Organisations Schedule when completing this form. This statement when lodged in the Industrial Registry may only be viewed by a member of the organisation. Use of this form is optional.

### Organisation's details

Name of organisation including division or branch

Postal Address

Postcode

### Details of officer completing the statement

Name

Name of office held in organisation

(An officer of the organisation should complete the statement)

Postal Address

Postcode

Telephone number (BH)

Facsimile number

Email

I certify that the information contained in this statement and its attachments is true and complete.

Signature

Date

**An organisation must lodge this statement within 90 days of the end of its financial year.**

Enquiries and statements should be addressed to:

THE INDUSTRIAL REGISTRAR  
AUSTRALIAN INDUSTRIAL REGISTRY  
LEVEL 42, NAURU HOUSE  
80 COLLINS STREET  
MELBOURNE VIC 3000  
Tel: (03) 8661 7777  
Fax: (03) 9655 0401  
Email: melbourne@air.gov.au

**AUSTRALIAN INDUSTRIAL REGISTRY**

*Australian Industry Registry*

**LOANS, GRANTS AND DONATIONS EXCEEDING \$1,000 MADE BY ORGANISATION**

(if insufficient space, please attach separate sheet)

**LOANS**

Name of Recipient of Loan	Address	Amount	Purpose for which loan required	Security given in relation to loan	Arrangements for repayment of loan

*Note: where a loan is made to relieve a member or dependant of a member from severe financial hardship, the name and address and particulars of arrangements for repayment need not be stated.*

**GRANTS**

Name of Recipient of Grant	Address	Amount	Purpose of Grant

*Note: where a grant is made to relieve a member or dependant of a member from severe financial hardship, the name and address need not be stated*

**DONATIONS**

Name of Recipient of Donation	Address	Amount	Purpose of Donation

*Note: where a donation is made to relieve a member or dependant of a member from severe financial hardship, the name and address need not be stated.*



# Australian Education Union

**Federal Office**

Ground Floor, 120 Clarendon Street, Southbank, Victoria, 3006  
 Federal Secretary : Susan Hopgood  
 Federal President : Patricia Byrne

Phone : +61 (0)3 9693 1800  
 Fax : +61 (0)3 9693 1805  
 Email : [aeu@aeufederal.org.au](mailto:aeu@aeufederal.org.au)  
 Web : [www.aeufederal.org.au](http://www.aeufederal.org.au)

Ref.: 031.001.001

4 April 2006

Mr Nicholas Wilson  
 Industrial Registrar  
 GPO Box 1994  
 MELBOURNE VIC 3001

*AEU*  
*6/4 & lodged.*  
*→ to appop. R.A team.*

Dear Mr Wilson,

**Re: Financial Documents for the Australian Education Union**  
**for year ended 30 September 2005**

In accordance with s268 of the Registration and Accountability of Organisations Schedule (Schedule 1B to the Workplace Relations Act 1996), I hereby lodge:

- (a) A copy of the AEU full Financial Report for the year ending 30 September 2005;
- (b) A copy of the concise report provided to members;
- (c) Secretary's Certificate that the documents lodged are copies of the documents provided to members and presented to the meeting of the Federal Executive of the Australian Education Union on 16 March 2006.

Yours sincerely,

*D. Moyle*

Darcel Moyle  
Deputy Federal Secretary

**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
**ABN 16 006 296 647**

**FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2005**

**BGL & ASSOCIATES**  
**CHARTERED ACCOUNTANTS**  
**SUITE ONE, GROUND FLOOR, 598 ST KILDA ROAD, MELBOURNE VIC 3004**  
**PO BOX 6094 ST KILDA ROAD CENTRAL VIC 8008**  
**TEL: (03) 9525 2511      FAX: (03) 9525 2829**  
**EMAIL: [bgl@bglassociates.com.au](mailto:bgl@bglassociates.com.au)**

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

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## OPERATING REPORT

Your committees present their report on the union for the financial year ended 30 September 2005.

### Committee Members

The names of the committee members in office at any time during or since the end of the financial year are:

Ann Taylor  
Andrew Gohl  
Jean Walker  
Clive Hagger  
Julie-Ann McCullough  
Mary Bluett  
Molly Kreidl  
Linda Simon  
Steve Ryan  
Mike Keely  
Pat Byrne  
Nadine Williams  
Hayden Bromley  
Jennifer Leete  
Rosalie Kinson (Appointed on 3 August 2005)  
Maree O'Hallaran  
Maurie Mulheron  
Neil Free (Appointed on 3 August 2005)  
Angelo Gavrielatos  
Barry Johnson

The committee members have been in office since the start of the financial year to the date of this report unless otherwise stated.

### Operating Results

The surplus of the Australian Education Union - Federal Office for the financial year amounted to \$509,803.

### Review of Operations

A review of the operations of the Australian Education Union - Federal Office during the financial year and the results of those operations found that during the year, the union continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

### Significant Changes in State of Affairs

No significant changes in the state of affairs of the Australian Education Union-Federal Office occurred during the financial year.

### Principal Activity

The principal activity of the Australian Education Union - Federal Office during the financial year was promotion of union activities within the education sector.

No significant change in the nature of these activities occurred during the year.

**OPERATING REPORT (continued)**

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Australian Education Union - Federal Office, the results of those operations, or the state of affairs of the Australian Education Union-Federal Office in future financial years.

**Union details**

The Australian Education Union - Federal Office has 22 (2004: 20) employees at year end. The number of members at 30 September 2005 was 164,642 (2004: 155,737).

**Rights of members to resign**

Members may resign from the union in accordance with rule 17, which reads as follows:

**"17 - Resignation from membership and termination of eligibility**

- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.
- (4) A notice of resignation from membership takes effect:-
  - (a) where the member ceases to be eligible to become a member of the Union -
    - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
    - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or
  - (b) in any other case -
    - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
    - (ii) on the day specified in the notice; whichever is later.
- (5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- (8) A resignation from membership is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.
- (10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.
- (11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."



AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

OPERATING REPORT (continued)

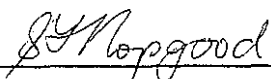
**Directorships of Superannuation Funds**

To the best of our knowledge and belief, no officer of the organisation, by virtue of their office of the Australian Education Union - Federal Office is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- (ii) a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) where a criterion for the officer being the trustee or director is that the officer is an officer of a registered organisation.

Signed in accordance with a resolution of the committee of management:

Designated officer

  
Susan Hopgood

Dated this

14 / 1 / 06

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

STATEMENT OF FINANCIAL PERFORMANCE  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 \$	2004 \$
Revenues from ordinary activities	3	<u>4,355,500</u>	<u>3,784,520</u>
General expenses	21	(677,962)	(568,468)
Salaries and related expenses	22	(1,781,163)	(1,693,023)
Meeting and conference expenses	23	(362,398)	(307,030)
AEU allocation		(80,250)	(80,000)
Australian Educator		(476,269)	(454,114)
Election expenses	24	(147,520)	(875,927)
Special projects	25	(205,094)	(5,700)
TAFE expenses	26	<u>(115,041)</u>	<u>(111,860)</u>
		<u>(3,845,697)</u>	<u>(4,096,122)</u>
<b>Surplus (Deficit) from ordinary activities</b>		<u><b>509,803</b></u>	<u><b>(311,602)</b></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2005

	Notes	2005 \$	2004 \$
<b>CURRENT ASSETS</b>			
Cash assets	6	1,351,926	1,209,623
Receivables	7	632,776	430,753
Other	8	<u>26,935</u>	<u>20,444</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>2,011,637</b></u>	<u><b>1,660,820</b></u>
<b>NON-CURRENT ASSETS</b>			
Receivables	7	65,778	133,080
Other financial assets	9	1,337,371	867,650
Property, plant and equipment	10	<u>393,453</u>	<u>389,325</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>1,796,602</b></u>	<u><b>1,390,055</b></u>
<b>TOTAL ASSETS</b>		<u><b>3,808,239</b></u>	<u><b>3,050,875</b></u>
<b>CURRENT LIABILITIES</b>			
Payables	11	631,105	474,614
Interest-bearing liabilities	12	5,930	5,719
Provisions	13	<u>368,301</u>	<u>285,430</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>1,005,336</b></u>	<u><b>765,763</b></u>
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing liabilities	12	119,384	125,038
Provisions	13	<u>391,299</u>	<u>377,657</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>		<u><b>510,683</b></u>	<u><b>502,695</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>1,516,019</b></u>	<u><b>1,268,458</b></u>
<b>NET ASSETS</b>		<u><b>2,292,220</b></u>	<u><b>1,782,417</b></u>
<b>MEMBERS FUND</b>			
Reserves	14	362,998	181,280
Accumulated surplus	15	<u>1,929,222</u>	<u>1,601,137</u>
<b>TOTAL MEMBERS FUND</b>		<u><b>2,292,220</b></u>	<u><b>1,782,417</b></u>

The accompanying notes form part of these financial statements.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Notes	2005 \$	2004 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
Receipts of subscriptions		3,854,789	3,330,794
Sundry receipts		875,652	477,636
Payments to suppliers and employees		(3,901,881)	(4,251,960)
Interest received		71,726	62,660
Borrowing costs		<u>(11,150)</u>	<u>(9,508)</u>
Net cash provided by/(used in) operating activities	19(b)	<u>889,136</u>	<u>(390,378)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(33,755)	(38,896)
Payment for investments		<u>(469,721)</u>	<u>(13,903)</u>
Net cash used in investing activities		<u>(503,476)</u>	<u>(52,799)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of loan from ACT Branch		63,836	29,476
Loan advanced to FEU		(281,000)	-
Repayment of borrowings		<u>(26,193)</u>	<u>(45,525)</u>
Net cash used in financing activities		<u>(243,357)</u>	<u>(16,049)</u>
Net increase/(decrease) in cash held		142,303	(459,226)
Cash at beginning of financial year		<u>1,209,623</u>	<u>1,668,849</u>
Cash at end of financial year	19 (a)	<u>1,351,926</u>	<u>1,209,623</u>

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

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

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.

Except as noted below, the financial report has been prepared on an accruals basis and is based on historical costs. Cost is based on the fair value of the consideration given in exchange for assets.

**(a) Income Tax**

No provision for income tax has been raised as the Education Union 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 less, where applicable, any accumulated depreciation.

*Property*

Freehold land and buildings are measured on the cost basis. The carrying amount is reviewed annually by the Federal Executive to ensure it is not in excess of the recoverable amount of the assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employed and their subsequent disposal. The expected net cash flows have not been discounted to present values in determining the recoverable amounts.

*Plant and equipment*

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by the Federal Executive 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 Education Union 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.

**(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 Education Union 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 Education Union 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

**NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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.

**(d) Investments**

Non-current investments are measured on the cost basis. The carrying amount of investments is reviewed annually by Federal Executive 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 Education Union'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 Education Union to employee superannuation funds and are charged as expenses when incurred.

**(f) Cash**

For the purposes of the Statement of Cash Flows, cash includes cash on hand and at banks including at call deposits with banks.

**(g) Revenue**

Capitation fee and levies are recognised when the right to receive the fee has been established.

Revenue from the rendering of a service is recognised upon the delivery of the service to the members.

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)**

Revenues, 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.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Impact of Adoption of Australian Equivalents to International Financial Reporting Standards

The Education Union is preparing and managing the transition to Australian Equivalent of International Financial Reporting Standards (AIFRS) effective for financial years commencing from 1 January 2005. The adoption of AIFRS will be reflected in the Education Union's financial statements for the year ending 30 September 2006. On first time adoption of AIFRS, comparatives for the financial year ended 30 September 2005 are required to be restated. The majority of the AIFRS transitional adjustments will be made retrospectively against retained earnings at 1 October 2004.

The Education Union's management, along with its auditors, have assessed the significance of the expected changes and are preparing for their implementation. The impact of the alternative treatments and elections under AASB1: First Time Adoption of Australian Equivalents to International Financial Reporting Standards, has been considered where applicable.

The Management is of the opinion that the key material differences in the Education Union's accounting policies on conversion to AIFRS and the financial effect of these differences where known are as follows. Users of the financial statements should, however, note that the amounts disclosed could change if there are any amendments by standard-setters to the current AIFRS, or interpretation of the AIFRS requirements changes.

— *Non-current investments*

Under AASB 139: Financial Instruments: Recognition and Measurement, financial assets are required to be classified into four categories, which determine the accounting treatment of the respective item. The categories and various treatments are:

- held to maturity, measured at amortised cost;
- held for trading, measured at fair value with unrealised gains or losses charged to the income and expenditure;
- loans and receivables, measured at amortised cost; and
- available for sale instruments, measured at fair value with unrealised gains or losses taken to equity.

The Education Union's financial assets comprise available for sale financial instruments. Under AASB 139: Financial Instruments: Recognition and Measurement, the measurement of available for sale instruments at fair value differs to current accounting policy which measures non-current investments at cost with an annual review by the Federal Executives to ensure that the carrying amounts are not in excess of the recoverable value of the instrument. The impact of the change is likely to increase the value of non-current other financial assets in relation to available for sale instruments.

AASB 1 provides an election whereby the requirements of AASB 139 dealing with financial instruments are not required to be applied to the first AIFRS comparative year, and the first time adoption of this standard will apply from 1 October 2005. The Education Union has decided that it will adopt this election and will not restate comparative information for the 30 September 2005 financial year.

— *Impairment of Assets*

Under AASB 136: Impairment of Assets, the recoverable amount of an asset is determined as the higher of fair value less costs to sell and value in use. In determining value in use, projected future cash flows are discounted using a risk adjusted discounted rate and impairment is assessed for the individual asset or at the "cash generating unit" level. A "cash generating unit" is determined as the smallest group of assets that generates cash flows, which are largely independent of the cash flows from other assets or groups of assets. The current policy is to determine the recoverable amount of an assets on the basis of undiscounted net cash flows that will be received from the asset's use and subsequent disposal. It is likely that this change in accounting policy will lead to impairments being recognised more often.

The Education Union has reassessed its impairment testing policy and tested all assets for impairment at 1 October 2005. No material adjustments are considered necessary as a result of this change.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

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**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

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



**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
**ABN 16 006 296 647**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2005**

	Note	2005 \$	2004 \$
<b>NOTE 3: REVENUE</b>			
<b>Operating activities</b>			
- capitation fees		3,113,214	2,644,962
- publication levies		404,652	385,980
- TAFE income		39,833	38,266
- Australian Educator		79,731	68,369
- AEU Centre		-	61,568
- Federal Election - branch contributions		<u>329,239</u>	<u>312,564</u>
		<u>3,966,669</u>	<u>3,511,709</u>
<b>Non - operating activities</b>			
- interest		71,726	62,660
- rent		112,982	95,370
- library income		57,645	54,540
- other revenue		70,511	60,241
- trust distribution		<u>75,967</u>	<u>-</u>
		<u>388,831</u>	<u>272,811</u>
Total Revenue		<u>4,355,500</u>	<u>3,784,520</u>
<b>(a) Interest from:</b>			
- AEU ACT Branch for loan		14,132	9,510
- other persons		<u>57,594</u>	<u>53,150</u>
		<u>71,726</u>	<u>62,660</u>

**NOTE 4: SURPLUS (DEFICIT) FROM ORDINARY ACTIVITIES**

Surplus (deficit) from ordinary activities has been determined after:

**(a) Expenses**

Borrowing costs:

- other persons	11,150	9,508
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Depreciation of non-current assets

- plant and equipment	29,627	28,785
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Remuneration of the auditors for

- audit or review services	16,500	15,385
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AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

Note	2005 \$	2004 \$
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**NOTE 5: DETAILS OF RELATED PARTY**

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

Ann Taylor  
Andrew Gohl  
Jean Walker  
Clive Hagger  
Julie-Ann McCullough  
Mary Bluett  
Molly Kreidl  
Linda Simon  
Steve Ryan  
Mike Keely  
Pat Byrne  
Nadine Williams  
Hayden Bromley  
Jennifer Leete  
Rosalie Kinson  
Maree O'Hallaran  
Maurie Mulheron  
Neil Free  
Angelo Gavrielatos  
Barry Johnson

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

Rob Durbridge  
Susan Hopgood  
Michaela Kronemann  
Roy Martin  
Darcel Moyle  
Linda Gale  
Catherine Davis  
Pat Forward  
Carol Fisher  
John McCollow  
Tom Freeman

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 \$	2004 \$
<b>NOTE 6: CASH ASSETS</b>			
Cash on hand		3,837	4,407
Cash at bank		<u>1,348,089</u>	<u>1,205,216</u>
		<u>1,351,926</u>	<u>1,209,623</u>
<b>NOTE 7: RECEIVABLES</b>			
<b>CURRENT</b>			
Trade debtors		192,225	286,263
AEU - ACT Branch		5,134	3,489
AEU - NT Branch		9,571	11,512
AEU - SA Branch		7,525	13,774
AEU - TAS Branch		3,859	3,751
AEU - VIC Branch		18,329	15,161
AEU - WA Branch		80,592	65,728
Loan to AEU ACT Branch	(a)	34,541	31,075
Amounts receivable from:			
FEU Unit Trust	(b)	<u>281,000</u>	<u>-</u>
		<u>632,776</u>	<u>430,753</u>
<b>NON-CURRENT</b>			
Loan to AEU ACT Branch	(a)	<u>65,778</u>	<u>133,080</u>

(a) The AEU - Federal Office loaned the AEU - ACT Branch \$ 200,000 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.

(b) The terms of this FEU Unit Trust are: unsecured, interest-free and short-term.

**NOTE 8: OTHER ASSETS**

**CURRENT**

Prepayments	20,755	20,444
Other current assets	<u>6,180</u>	<u>-</u>
	<u>26,935</u>	<u>20,444</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 \$	2004 \$
<b>NOTE 9: OTHER FINANCIAL ASSETS</b>			
NON-CURRENT			
Other investments			
- Units in FEU Trust		<u>1,337,371</u>	<u>867,650</u>
<b>NOTE 10: PROPERTY, PLANT AND EQUIPMENT</b>			
<b>PLANT AND EQUIPMENT</b>			
(a) NT Property			
At cost		333,357	332,286
Less accumulated depreciation		<u>(34,788)</u>	<u>(25,631)</u>
		<u>298,569</u>	<u>306,655</u>
(b) Office equipment			
At cost		189,113	157,130
Less accumulated depreciation		<u>(125,665)</u>	<u>(109,505)</u>
		<u>63,448</u>	<u>47,625</u>
(c) Furniture, fixtures and fittings			
At cost		164,357	163,657
Less accumulated depreciation		<u>(132,921)</u>	<u>(128,612)</u>
		<u>31,436</u>	<u>35,045</u>
Total property, plant and equipment		<u>393,453</u>	<u>389,325</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 Building	Total
	\$	\$	\$	\$
<b>2005</b>				
Balance at the beginning of the year	47,625	35,045	306,655	389,325
Additions	31,983	700	1,072	33,755
Depreciation expense	<u>(16,160)</u>	<u>(4,309)</u>	<u>(9,158)</u>	<u>(29,627)</u>
Carrying amount at end of year	<u>63,448</u>	<u>31,436</u>	<u>298,569</u>	<u>393,453</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 \$	2004 \$
<b>NOTE 11: PAYABLES</b>			
CURRENT			
Unsecured liabilities			
Trade creditors		550,487	396,856
Legal fee payable		46,669	40,937
AEU - ACT Branch		8,570	16,493
AEU - VIC Branch		7,000	367
Sundry creditors and accruals		<u>18,379</u>	<u>19,961</u>
		<u><b>631,105</b></u>	<u><b>474,614</b></u>
<b>NOTE 12: INTEREST BEARING LIABILITIES</b>			
CURRENT			
Secured liabilities			
Bank loans		<u><b>5,930</b></u>	<u><b>5,719</b></u>
NON-CURRENT			
Secured liabilities			
Bank loans		<u><b>119,384</b></u>	<u><b>125,038</b></u>
The bank loan is secured by the NT Property			
<b>NOTE 13: PROVISIONS</b>			
CURRENT			
Employee benefits - staff	13(a)	88,855	85,739
Employee benefits - officers		251,205	193,986
Other		<u>28,241</u>	<u>5,705</u>
		<u><b>368,301</b></u>	<u><b>285,430</b></u>
NON-CURRENT			
Employee benefits - staff	13(a)	110,905	89,164
Employee benefits - officers		<u>280,394</u>	<u>288,493</u>
		<u><b>391,299</b></u>	<u><b>377,657</b></u>
(a) Aggregate employee benefits liability		<u><b>731,359</b></u>	<u><b>657,382</b></u>
(b) Number of employees at year end		<u><b>22</b></u>	<u><b>20</b></u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 \$	2004 \$
<b>NOTE 14: RESERVES</b>			
Public Education / Election reserve	(a)	181,718	-
Allocated fund reserve	(b)	<u>181,280</u>	<u>181,280</u>
		<u>362,998</u>	<u>181,280</u>

(a) Public Education / Election Reserve

Movements during the financial year:

Opening balance	-	221,600
Funds allocated for year/ transferred back to accumulated surplus	<u>181,718</u>	<u>(221,600)</u>
Closing balance	<u>181,718</u>	<u>-</u>

The Public Education / Election Reserve records funds set aside from the surplus for the purpose of funding expenditure on future elections and public education campaigns.

(b) Allocated fund reserve

Movements during the financial year:

Opening balance	181,280	58,200
Funds allocated for year	<u>-</u>	<u>123,080</u>
Closing balance	<u>181,280</u>	<u>181,280</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	1,601,137	1,814,219
Net surplus (deficit) attributable to members of the entity	509,803	(311,602)
Transfers to reserves	<u>(181,718)</u>	<u>98,520</u>
Accumulated surplus at the end of the financial year	<u>1,929,222</u>	<u>1,601,137</u>

**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	50,225	36,552
- later than one year and not later than five years	<u>123,715</u>	<u>146,033</u>
	<u>173,940</u>	<u>182,585</u>

General description of leasing arrangement:

Leasing of postage meter and photocopier

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

Note	2005 \$	2004 \$
<b>NOTE 17: RELATED PARTY TRANSACTIONS</b>		
(a) During the year, the Education Union received \$35,000 (2004: \$35,000) from the Australian Education Union International Fund for administration fees.		
(b) The Education Union occupies premises owned by the Federation Education Unions Trust in which the Education Union has an interest. During the year, AEU received \$102,866 (2004: \$85,254) from the Federation Education of Union Trust as rent and paid \$126,152 (2004: \$99,224) as outgoings.		
(c) The Education Union NT building is currently occupied by the NT Branch. During the year, the Education Union received \$10,116 (2004: \$10,116) as rent.		
<b>NOTE 18: SEGMENT REPORTING</b>		
The Education Union operates in the area of education primarily within Australia.		
<b>NOTE 19: CASH FLOW INFORMATION</b>		
(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	3,837	4,407
Cash at bank	<u>1,348,089</u>	<u>1,205,216</u>
	<u>1,351,926</u>	<u>1,209,623</u>
(b) Reconciliation of cash flow from operations with surplus from ordinary activities		
Surplus from ordinary activities	509,803	(311,602)
Non-cash flows in surplus from ordinary activities		
Amortisation	29,627	28,785
Charges to provisions	107,513	102,135
Changes in assets and liabilities		
(Increase)/decrease in receivables	71,443	(272,720)
(Increase)/decrease in other assets	(6,491)	6,847
Increase in payables	<u>177,241</u>	<u>56,177</u>
Cash flows from operations	<u>889,136</u>	<u>(390,378)</u>

**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
**ABN 16 006 296 647**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2005**

**NOTE 20: FINANCIAL INSTRUMENTS**

**(a) Interest Rate Risk**

The Education Union'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 Effective Interest Rate		Floating Interest Rate		Non Interest Bearing		Total	
	2005 %	2004 %	2005 \$	2004 \$	2005 \$	2004 \$	2005 \$	2004 \$
Financial Assets:								
Cash	2.13	0.50	1,348,089	1,205,216	3,837	4,407	1,351,926	1,209,623
Receivables	5.30	5.30	100,319	164,155	598,235	399,678	698,554	563,833
Investments	-	-	-	-	1,337,371	867,650	1,337,371	867,650
Total Financial Assets			<u>1,448,408</u>	<u>1,369,371</u>	<u>1,939,443</u>	<u>1,271,735</u>	<u>3,387,851</u>	<u>2,641,106</u>
Financial Liabilities:								
Bank loans and overdrafts	7.30	7.15	125,314	130,757	-	-	125,314	130,756
Trade and sundry creditors	-	-	-	-	631,105	474,614	631,105	474,614
Total Financial Liabilities			<u>125,314</u>	<u>130,757</u>	<u>631,105</u>	<u>474,614</u>	<u>756,419</u>	<u>605,370</u>

**(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 Education Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Education Union.

**(c) Net Fair Values**

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

**NOTE 21: GENERAL EXPENSES**

Affiliations	8,206	9,927
Legal fees	247,194	105,133
Overseas travel allowance	-	11,064
Donations	3,939	7,405
Other expenses	<u>418,623</u>	<u>434,939</u>
	<u>677,962</u>	<u>568,468</u>



AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 \$	2004 \$
<b>NOTE 22: SALARY EXPENSES</b>			
Professional development		6,270	3,817
Salary expenses		531,566	533,909
Officers salaries		757,335	721,862
Support Staff salaries		<u>485,992</u>	<u>433,435</u>
		<u>1,781,163</u>	<u>1,693,023</u>
<b>NOTE 23: MEETING AND CONFERENCE EXPENSES</b>			
Meeting allowances		129,514	106,235
Other meeting and conference expenses		<u>232,884</u>	<u>200,795</u>
		<u>362,398</u>	<u>307,030</u>
<b>NOTE 24: ELECTION EXPENSES</b>			
Meeting allowances		-	7,867
Other expenses		<u>147,520</u>	<u>868,060</u>
		<u>147,520</u>	<u>875,927</u>
<b>NOTE 25: SPECIAL PROJECTS</b>			
AEU research projects		5,000	5,700
Other projects		<u>200,094</u>	<u>-</u>
		<u>205,094</u>	<u>5,700</u>
<b>NOTE 26: TAFE EXPENSES</b>			
Meeting allowances		43,556	27,607
Other TAFE expenses		<u>71,485</u>	<u>84,253</u>
		<u>115,041</u>	<u>111,860</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

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**NOTE 27: EDUCATION UNION DETAIL**

The principal place of business of the Australian Education Union - Federal Office is:

Australian Education Union - Federal Office  
120 Clarendon Street  
South Melbourne Vic 3205

The principal activity of the Australian Education Union - Federal Office during the financial year was promotion of union activities within the education sector.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

COMMITTEE OF MANAGEMENT STATEMENT

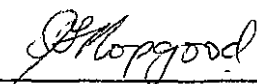
I, Susan Hopgood, being the designated officer of Australian Education Union - Federal Office does state that on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management on the 14<sup>th</sup> January 2006 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 4 to 20 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 4 to 20 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Australian Education Union - Federal Office for the financial year to which they relate;
4. there are reasonable grounds to believe that the Australian Education Union - Federal Office will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 30 September 2005:
  - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - b. the financial affairs of Australian Education Union - Federal Office have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of Australian Education Union - Federal Office have been kept and maintained in accordance with the Registration and Accountability of Organisations (RAO) Schedule and the RAO Regulations; and
  - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
  - e. the information sought in any request of a member of Australian Education Union - Federal Office or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the members or Registrar; and
  - f. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.

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

Designated officer



Susan Hopgood

Dated this 14/01/06

**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 2005 comprising of the Statement by Committee of Management, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements. The Committee of Management is 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 included 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 union'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, the general purpose financial report of Australian Education Union - Federal Office presents fairly the financial position of Australian Education Union - Federal Office as at 30 September 2005 and the results of its operations and its cash flows for the financial year then ended, in accordance with any of the following that apply in relation to the reporting unit:

- (a) the Australian Accounting Standards; and
- (b) the requirements imposed by Part 3 of Chapter 8 of Schedule 1B of the Workplace Relations Act 1996.

*BGL + Associates*

BGL & 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 2006  
Melbourne

**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
**ABN 16 006 296 647**

**CONCISE FINANCIAL REPORT**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2005**

**BGL & ASSOCIATES**  
**Chartered Accountants**  
**Suite One, Ground Floor, 598 St Kilda Road, Melbourne VIC 3004**  
**PO Box 6094 St Kilda Road Central VIC 8008**  
**Tel: (03) 9525 2511 Fax: (03) 9525 2829**  
**Email: [bgl@bglassociates.com.au](mailto:bgl@bglassociates.com.au)**

**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
**ABN 16 006 296 647**

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AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

**DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS**

**Information on Australian Education Union - Federal Office Concise Financial Report:**

The financial statements and disclosures in the concise financial report have been derived from the 2005 financial report of Australian Education Union - Federal Office.

A copy of the full financial report and auditors report can be sent to any member, free of charge, upon request.

This discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on Australian Education Union - Federal Office's financial statements and the information contained in the concise financial report has been derived from the full 2005 Financial Report of Australian Education Union - Federal Office.

**Statement of Financial Performance:**

The surplus from ordinary activities attributable to members for the year is \$ 509,803 compared to a deficit of \$311,602 in 2004. This surplus is mainly due to revenue growing at 15% since 2004 while expenses have decreased by 6.1% over the same period.

**Statement of Financial Position:**

Total assets increased by \$757,364 or 24.8% from the 2004 year end mainly due to an increase in cash on hand and increase in the investment in the FEU Unit Trust. Total liabilities increased by \$247,561 or 19.5% from 2004 mainly due to an increase in provision in employee entitlements and a loan made to related party. As a consequence members fund increased by \$509,803 from the 2004 year.

Apart from the above, there has been no significant change in the composition of the assets and liabilities from the 2004 year.

**Statement of Cash Flows:**

Cash assets increased from \$1,209,623 as at 30 September 2004 to \$1,351,926 as at 30 September 2005.

Cash flows from operations increased by 327% during the year from a deficit of cash of (\$390,378) in 2004 to a surplus of cash of \$889,136 in 2005.

Designated Officer .....   
Susan Hopgood

Dated: 14 / 1 / 06

**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
**ABN 16 006 296 647**

**OPERATING REPORT**

Your committees present their report on the union for the financial year ended 30 September 2005.

**Committee of Management**

The names of the members of the Committee of Managements in office at any time during or since the end of the financial year are:

Ann Taylor  
Andrew Gohl  
Jean Walker  
Clive Hagger  
Julie-Ann McCullough  
Mary Bluett  
Molly Kreidl  
Linda Simon  
Steve Ryan  
Mike Keely  
Pat Byrne  
Nadine Williams  
Hayden Bromley  
Jennifer Leete  
Rosalie Kinson (Appointed on 3 August 2005)  
Maree O'Hallaran  
Maurie Mulheron  
Neil Free (Appointed on 3 August 2005)  
Angelo Gavrielatos  
Barry Johnson

The members of the Committee of Managements have been in office since the start of the financial year to the date of this report unless otherwise stated.

**Operating Results**

The surplus of the Australian Education Union - Federal Office for the financial year amounted to \$509,803.

**Review of Operations**

A review of the operations of the Australian Education Union - Federal Office during the financial year and the results of those operations found that during the year, the entity continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

**Significant Changes in State of Affairs**

No significant changes in the state of affairs of the Australian Education Union - Federal Office occurred during the financial year.

**Principal Activity**

The principal activity of the Australian Education Union - Federal Office during the financial year was promotion of union activities within the education sector. No significant change in the nature of these activities occurred during the year.



**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
**ABN 16 006 296 647**

**OPERATING REPORT (continued)**

**After Balance Date Events**

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Australian Education Union - Federal Office, the results of those operations, or the state of affairs of the Australian Education Union - Federal Office in future financial years.

**Union's Details**

The Australian Education Union - Federal Office has 22 (2004: 20) employees at year end. The number of members at 30 September 2005 was 164,642 (2004: 155,737).

**Members Right**

Members may resign from the union in accordance with rule 17, which reads as follows:

"17 - Resignation from membership and termination of eligibility

- (3) A member may resign from membership of the Union by written notice addressed to and delivered to the Secretary of the Branch to which the member is attached.
- (4) A notice of resignation from membership takes effect:-
  - (a) where the member ceases to be eligible to become a member of the Union -
    - (i) on the day on which the notice is received at the office of the relevant Branch Secretary; or
    - (ii) on the day specified in the notice, which is a day not earlier than the day when the member ceases to be eligible to become a member; whichever is later; or
  - (b) in any other case -
    - (i) at the end of 2 weeks after the notice is received at the office of the relevant Branch Secretary; or
    - (ii) on the day specified in the notice; whichever is later.
- (5) Any subscriptions, levies or fines which are due and payable but have not been paid by a former member in relation to a period before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- (8) A resignation from membership is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.
- (10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.
- (11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

OPERATING REPORT (continued)

**Directorships of Superannuation Funds**

To the best of our knowledge and belief, no officer of the organisation, by virtue of their office of the Australian Education Union - Federal Office is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme; or
- (ii) a director of a company that is the trustee of a superannuation entity or an exempt public sector superannuation scheme; and
- (iii) where a criterion for the officer being the trustee or director is that the officer is an officer of a registered organisation.

Signed in accordance with a resolution of the Committee of Management:

Designated Officer .....   
Susan Hopgood

Dated this 14 / 1 / 06

**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
**ABN 16 006 296 647**

**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2005**

	Notes	2005 \$	2004 \$
Revenues from ordinary activities	3	<u>4,355,500</u>	<u>3,784,520</u>
General expenses		(677,962)	(568,468)
Salaries expenses		(1,781,163)	(1,693,023)
Meeting and conference expenses		(362,398)	(307,030)
AEU allocation		(80,250)	(80,000)
Australian Educator		(476,269)	(454,114)
Election expenses		(147,520)	(875,927)
Special projects		(205,094)	(5,700)
TAFE expenses		<u>(115,041)</u>	<u>(111,860)</u>
		<u>(3,845,697)</u>	<u>(4,096,122)</u>
<b>Surplus (deficit) from ordinary activities</b>		<u><b>509,803</b></u>	<u><b>(311,602)</b></u>

The accompanying notes form part of this concise financial report.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

STATEMENT OF FINANCIAL POSITION  
AS AT 30 SEPTEMBER 2005

	2005 \$	2004 \$
<b>CURRENT ASSETS</b>		
Cash assets	1,351,926	1,209,623
Receivables	632,776	430,753
Other	<u>26,935</u>	<u>20,444</u>
<b>TOTAL CURRENT ASSETS</b>	<u>2,011,637</u>	<u>1,660,820</u>
<b>NON-CURRENT ASSETS</b>		
Receivables	65,778	133,080
Other financial assets	1,337,371	867,650
Property, plant and equipment	<u>393,453</u>	<u>389,325</u>
<b>TOTAL NON-CURRENT ASSETS</b>	<u>1,796,602</u>	<u>1,390,055</u>
<b>TOTAL ASSETS</b>	<u>3,808,239</u>	<u>3,050,875</u>
<b>CURRENT LIABILITIES</b>		
Payables	631,105	474,614
Interest-bearing liabilities	5,930	5,719
Provisions	<u>368,301</u>	<u>285,430</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u>1,005,336</u>	<u>765,763</u>
<b>NON-CURRENT LIABILITIES</b>		
Interest-bearing liabilities	119,384	125,038
Provisions	<u>391,299</u>	<u>377,657</u>
<b>TOTAL NON-CURRENT LIABILITIES</b>	<u>510,683</u>	<u>502,695</u>
<b>TOTAL LIABILITIES</b>	<u>1,516,019</u>	<u>1,268,458</u>
<b>NET ASSETS</b>	<u>2,292,220</u>	<u>1,782,417</u>
<b>MEMBERS FUND</b>		
Reserves	362,998	181,280
Accumulated surplus	<u>1,929,222</u>	<u>1,601,137</u>
<b>TOTAL MEMBERS FUND</b>	<u>2,292,220</u>	<u>1,782,417</u>

The accompanying notes form part of this concise financial report.

**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
**ABN 16 006 296 647**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2005**

	2005 \$	2004 \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Receipts of subscription	3,854,789	3,330,794
Sundry receipts	875,652	477,636
Payments to suppliers and employees	(3,901,881)	(4,251,960)
Interest received	71,726	62,660
Borrowing costs	<u>(11,150)</u>	<u>(9,508)</u>
Net cash provided by/(used in) operating activities	<u>889,136</u>	<u>(390,378)</u>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Payment for property, plant and equipment	(33,755)	(38,896)
Payment for investments	<u>(469,721)</u>	<u>(13,903)</u>
Net cash used in investing activities	<u>(503,476)</u>	<u>(52,799)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of loan from ACT Branch	63,836	29,476
Loan advanced to FEU	(281,000)	-
Repayment of borrowings	<u>(26,193)</u>	<u>(45,525)</u>
Net cash used in financing activities	<u>(243,357)</u>	<u>(16,049)</u>
Net increase/(decrease) in cash held	142,303	(459,226)
Cash at beginning of financial year	<u>1,209,623</u>	<u>1,668,849</u>
Cash at end of financial year	<u><u>1,351,926</u></u>	<u><u>1,209,623</u></u>

The accompanying notes form part of this concise financial report.

**AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 SEPTEMBER 2005**

**NOTE 1: BASIC OF PREPARATION OF THE CONCISE FINANCIAL REPORT**

The concise financial report has been prepared in accordance with Accounting Standard AASB 1039: Concise Financial Reports and the Workplace Relations Act 1996.

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full report of Australian Education Union - Federal Office. The concise financial report cannot be expected to provide as detailed an understanding of the financial performance, financial position and financing and investing activities of Australian Education Union - Federal Office as the full financial report.

The accounting policies have been consistently applied by the entity and are consistent with those of the previous financial year.

**NOTE 2: INFORMATION TO BE PROVIDED TO MEMBERS OR REGISTRAR**

In accordance with the requirements of the Workplace Relations Act 1996 the attention of members is drawn to the provisions of subsection (1), (2) and (3) of sections 272, which read as follows:

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

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 SEPTEMBER 2005

	Note	2005 \$	2004 \$
<b>NOTE 3: REVENUE</b>			
<b>Operating activities</b>			
- capitation fees		3,113,214	2,644,962
- publication levies		404,652	385,980
- TAFE income		39,833	38,266
- Australian Educator		79,731	68,369
- AEU Centre		-	61,568
- other revenue		<u>329,239</u>	<u>312,564</u>
		<u>3,966,669</u>	<u>3,511,709</u>
<b>Non - operating activities</b>			
- interest		71,726	62,660
- rent		112,982	95,370
- library income		57,645	54,540
- other revenue		70,511	60,241
- trust distribution		<u>75,967</u>	<u>-</u>
		<u>388,831</u>	<u>272,811</u>
Total Revenue		<u>4,355,500</u>	<u>3,784,520</u>
<b>(a) Interest from:</b>			
- AEU - ACT Branch		14,132	9,510
- other persons		<u>57,594</u>	<u>53,150</u>
		<u>71,726</u>	<u>62,660</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE  
ABN 16 006 296 647

STATEMENT BY COMMITTEE OF MANAGEMENT

I, Susan Hopgood, being the designated officer of Australian Education Union - Federal Office, does state that on behalf of the Committee of Management and in accordance with a resolution passed by the Committee of Management on the 14<sup>th</sup> January 2006 that:

In the opinion of the Committee of Management:

1. the financial statements and notes, as set out on pages 5 to 9 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 5 to 9 comply with the reporting guidelines of the Industrial Registrar;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of Australian Education Union - Federal Office for the financial year to which they relate;
4. there are reasonable grounds to believe that the Australian Education Union - Federal Office will be able to pay its debts as and when they become due and payable; and
5. during the financial year to which the general purpose financial report relates and since the end of 30 September 2005:
  - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
  - b. the financial affairs of Australian Education Union - Federal Office have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of Australian Education Union - Federal Office have been kept and maintained in accordance with the RAO Schedule and the RAO Regulations; and
  - d. where the organisation consists of 2 or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the organisation ; and
  - e. the information sought in any request of a member of Australian Education Union - Federal Office or a Registrar duly made under section 272 of the RAO Schedule has been furnished to the members or Registrar; and
  - f. there has been compliance with any order for inspection of financial records made by the Commission under section 273 of the RAO Schedule.
6. The necessary resolution to provide concise report to members has been passed in accordance with section 265(2) of the RAO Schedule.

Designated Officer .....  .....

Susan Hopgood

Dated 14 / 1 / 06



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

**Scope**

We have audited the concise financial report of Australian Education Union - Federal Office for the financial year ended 30 September 2005 comprising of the Committee of Management Statement, Statement of Financial Performance, Statement of Financial Position, Statement of Cash Flows and notes to the financial statements. The 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

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the concise financial report is free of material misstatement. We have also performed an independent audit of the full financial report of Australian Education Union - Federal Office for the year ended 30 September 2005. Our audit report on the full financial report was signed on 14 January 2006, and was not subject to any qualification.

Our procedures in respect of the audit of the concise financial report included testing that the information in the concise financial report is consistent with the full financial report, and examination, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the full financial report. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report is presented fairly in accordance with Accounting Standards.

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

**Audit Opinion**

In our opinion, the concise financial report of Australian Education Union - Federal Office complies with Accounting Standard AASB 1039: Concise Financial Report and the Workplace Relations Act 1996.

*BGL & Associates*

BGL & 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 2006  
Melbourne

### SECRETARY'S CERTIFICATE

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

1. I am an Officer authorised by the AEU Rules to lodge these documents
2. The Federal Executive of the AEU held a meeting in accordance with the rules on 14 January 2006 (the PREPARATION MEETING) at which the Executive passed a resolution concerning the accounts as presented.
3. The Federal Executive at the aforementioned meeting carried the following resolution:

*That in accordance with the RAO Schedule (Schedule 1B of the Workplace Relations Act 1996) , the Federal Executive of the Australian Education Union resolves that members will be provided with a copy of the concise report for the year ended 30 September, 2005, and that members shall be provided free of charge with a copy of the full report where they make a request.*

4. The copy of the concise report being lodged is the document that was provided to members on the AEU website [www.aeufederal.org.au](http://www.aeufederal.org.au). Notification of the report's availability on the website was printed in the Autumn edition of national magazine of the Union, *The Australian Educator*.
5. The copy of the full report being lodged is the document which was presented to the meeting of the Federal Executive of the AEU on the 16 March 2005 (the PRESENTATION MEETING).

  
.....  
SUSAN LOUISE HOPGOOD  
4 April 2006