



Australian Government
Australian Industrial Registry

27 May 2009

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

By email: aeu@aeufederal.org.au

Dear Ms Hopgood,

**Re: Financial Documents for the Australian Education Union
– year ended 30 September 2008 (FR2008/523)**

I acknowledge receipt of the financial report of the Australian Education Union for the year ended 30 September 2008. The documents were lodged in the Industrial Registry on 31 March 2009.

The financial report has been filed.

If you have any questions, I can be contacted on (03) 8661 7775 or by email at thomas.hobbs@airc.gov.au

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Thomas Hobbs', written in a cursive style.

Thomas Hobbs
Statutory Services Branch



Australian Education Union

Federal Office

Ground Floor, 120 Clarendon Street, Southbank, Victoria, 3006
Federal Secretary : Susan Hopgood
Federal President : Angelo Gavrielatos

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

Ref.: 031.001.001

31 March 2009

Mr Doug Williams
Industrial Registrar
GPO Box 1994
MELBOURNE VIC 3001

Dear Mr Williams,

Re: Financial Documents for the Australian Education Union
for year ended 30 September 2008

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 Financial Report for the year ending 30 September 2008;
- (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 19 March 2009;

Yours sincerely,

A handwritten signature in black ink that reads 'S Hopgood'.

Susan Hopgood
Federal Secretary

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 15 January 2009 (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 2008, 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. 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 19 March 2009 (the PRESENTATION MEETING).


.....

SUSAN LOUISE HOPGOOD

31 March 2009

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008



Australian Education Union

Federal Office:

Ground Floor, 120 Clarendon Street, Southbank, Victoria, 3006

Federal Secretary: Susan Hopgood

Federal President: Angelo Gavrielatos

Telephone: 61 3 9693 1800

Facsimile: 61 3 9693 1805

Email: aeu@aeufederal.org.au

TABLE OF CONTENTS

Operating Report	1
Financial Report	
Income Statement	4
Balance Sheet	5
Statement of Changes in Equity	6
Cash Flow Statement	7
Notes to the Financial Statements	8 - 31
Statement by Committee of Management	32
Independent Auditor's Report	33

This financial report covers the Australian Education Union - Federal Office ("AEU- Federal Office") as an individual entity. The financial report is presented in the Australian currency.

The Australian Education Union - Federal Office is a registered body under the Workplace Relations Act 1996 and is domiciled in Australia.

The principal place of business is:
Australian Education Union - Federal Office
120 Clarendon Street
SOUTH MELBOURNE VIC 3205

The financial report was authorised for issue by the Federal Executive on the 15th day of January 2009.

OPERATING REPORT

Your Federal Executive present their report on the Australian Education Union - Federal Office for the financial year ended 30 September 2008.

Members of Executive

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

Ann Taylor	Mary Bluett
Darcel Russell	Susan Hopgood
Howard Spreadbury	Maree O'Halloran
Clive Haggart (resigned 12 June 2008)	Maurie Mulheron
John Irving	Charline Emzin-Boyd
Linda Simon	Angelo Gavrielatos
Steve Ryan	Vicky Sykes
Bob Lipscombe	Lynette Winch
Brian Henderson (from 1 March 2008)	Correna Haythorpe (from 1 March 2008)
Nadine Williams (from 1 March 2008)	Penny Gilmour (from 28 June 2008)
Anne Gisborne (from 1 March 2008)	Terry Polglase (from 1 March 2008)
Pat Byrne (until 31 January 2008)	Mike Keely (until 28 February 2008)
Alan Perrin (until 28 February 2008)	Andrew Gohl (until 28 February 2008)
Jean Walker (until 28 February 2008)	Neil Free (until 28 February 2008)
Julie Brown (from 1 March 2008)	

Federal Executive 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 for the financial year amounted to \$739,053 (30 September 2007: \$542,933).

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 Australian Education Union - Federal Office continued to engage in its principal activity, the results of which are disclosed in the 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 Activities

The principal activities of the Australian Education Union - Federal Office during the financial year were the protection and improvement of employment conditions for its members and advocacy for quality public education for all. No significant change in the nature of these activities occurred during the year.

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 Australian Education Union - Federal Office, the results of those operations, or the state of affairs of Australian Education Union - Federal Office in future financial years.

OPERATING REPORT (Continued)

Right 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

- (1) Subject to sub-rule 17(1A) a member becomes ineligible for membership of the Union when he/she no longer meets the conditions of eligibility for membership of the Union.
- (1A) The following persons shall after the date referred to in sub-rule 5(12) be eligible to retain membership of the Union notwithstanding the fact that they are no longer eligible for membership within the conditions of eligibility for membership set out in rule 5:
 - (a) members who are eligible for membership pursuant to paragraphs 5(3)(a), (b) or (c) and are -
 - (i) seconded by their employer to non-teaching duties, or
 - (ii) appointed by the Minister for Education to any Board, Committee or statutory authority;
 - (b) members who were formerly eligible for membership pursuant to paragraph 5(4)(a), (b) or
 - (c) and have commenced to be employed elsewhere in the Victorian Education Department or in a technical and further education institution or by the Technical and Further Education Board or are seconded by their employer to perform professional duties requiring teacher qualifications;
 - (c) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d);provided that persons who are entitled to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.
- (2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.
- (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. "

OPERATING REPORT (Continued)

Membership and employee numbers

The number of employees at 30 September 2008 was 19 (2007: 18)

The number of members at 30 September 2008 was 175,051 (2007: 168,792).

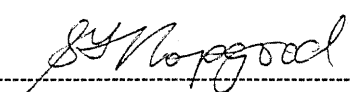
Directorships of Superannuation Fund

To the best of our knowledge and belief, no officer or member of the organisation, by virtue of their office or membership 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 or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Signed in accordance with a resolution of the Federal Executive:

Designated Officer



Susan Hopgood

15/1/09

Dated this 15th day of January 2009

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	2008 \$	2007 \$
Revenue from continuing operations	4	6,772,884	6,783,287
Expenses			
Administration and other expenses	6	(612,315)	(590,159)
Australian Educator expenses		(527,115)	(512,380)
Campaign and project expenses	7	(2,422,369)	(2,663,279)
Employee related expenses	8	(1,931,491)	(1,919,832)
ITF allocation		(88,000)	(88,000)
Meeting and conference expenses	9	<u>(452,541)</u>	<u>(466,704)</u>
		<u>(6,033,831)</u>	<u>(6,240,354)</u>
Surplus for the year	5	<u>739,053</u>	<u>542,933</u>

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

BALANCE SHEET
 AS AT 30 SEPTEMBER 2008

	Note	2008 \$	2007 \$
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	11	4,242,386	4,076,749
Trade and other receivables	12	<u>1,208,047</u>	<u>313,908</u>
TOTAL CURRENT ASSETS		<u>5,450,433</u>	<u>4,390,657</u>
NON-CURRENT ASSETS			
Other financial assets	13	3,259,360	3,412,626
Property, plant and equipment	14	<u>91,065</u>	<u>84,140</u>
TOTAL NON-CURRENT ASSETS		<u>3,350,425</u>	<u>3,496,766</u>
TOTAL ASSETS		<u>8,800,858</u>	<u>7,887,423</u>
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	15	1,593,497	1,407,381
Borrowings	16	157,130	-
Provisions	17	<u>969,026</u>	<u>984,624</u>
TOTAL CURRENT LIABILITIES		<u>2,719,653</u>	<u>2,392,005</u>
TOTAL LIABILITIES		<u>2,719,653</u>	<u>2,392,005</u>
NET ASSETS		<u>6,081,205</u>	<u>5,495,418</u>
EQUITY			
Reserves	18	2,839,513	2,705,408
Accumulated surplus	19	<u>3,241,692</u>	<u>2,790,010</u>
TOTAL EQUITY		<u>6,081,205</u>	<u>5,495,418</u>

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Accumulated surplus	Reserves	Total
	\$	\$	\$
Balance at 1 October 2006	2,506,405	430,317	2,936,722
Surplus for the year	542,933	-	542,933
Available for sale financial assets	-	2,015,763	2,015,763
Transfer from accumulated surplus	<u>(259,328)</u>	<u>259,328</u>	<u>-</u>
Balance at 30 September 2007	<u>2,790,010</u>	<u>2,705,408</u>	<u>5,495,418</u>
Balance at 1 October 2007	2,790,010	2,705,408	5,495,418
Surplus for the year	739,053	-	739,053
Available for sale financial assets	-	(153,266)	(153,266)
Transfer from accumulated surplus	<u>(287,371)</u>	<u>287,371</u>	<u>-</u>
Balance at 30 September 2008	<u><u>3,241,692</u></u>	<u><u>2,839,513</u></u>	<u><u>6,081,205</u></u>

The above statement of changes in equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipt of capitation fees and levies (Inclusive of GST)		4,673,694	3,890,919
Receipt of campaign contributions from branches (Inclusive of GST)		1,392,313	2,564,198
Sundry Receipts		123,292	944,274
Payments to suppliers and employees (Inclusive of GST)		(6,345,913)	(5,656,364)
Interest received		187,606	125,660
Net cash inflow from operating activities	23	<u>30,992</u>	<u>1,868,687</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for property, plant and equipment		(28,872)	(13,926)
Payment for investments		-	(34,272)
Net cash (outflow) from investing activities		<u>(28,872)</u>	<u>(48,198)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Borrowings		6,387	(5,954)
Repayment of loan from AEU - NT branch		-	94,255
Net cash inflow from financing activities		<u>6,387</u>	<u>88,301</u>
Net increase/(decrease) in cash and cash equivalents		8,507	1,908,790
Cash and cash equivalents at beginning of financial year		<u>4,076,749</u>	<u>2,167,959</u>
Cash and cash equivalents at end of financial year	11(a)	<u>4,085,256</u>	<u>4,076,749</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial report are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of Preparation

This general purpose financial report has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the requirements of The Workplace Relations Act 1996.

Compliance with IFRS

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). A statement of compliance with AIFRS cannot be made due to the Australian Education Union - Federal Office applying the not-for-profit sector requirements contained in AIFRS.

Historical cost convention

These financial statements have been prepared under the historical cost convention, as modified by the revaluation of available-for-sale financial assets and financial assets and liabilities at fair value through profit or loss.

Critical accounting estimates

The preparation of financial statements in conformity with AIFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying The AEU - Federal Office's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

(b) Cash and cash equivalents

For cash flow statement presentation purposes, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the balance sheet.

(c) Comparative figures

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

(d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised to the extent that it is probable that the economic benefits will flow to The AEU - Federal Office and that it can be reliably measured.

Revenue is recognised for the major operating activities as follows:

Capitation fees and Levies

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

Campaign contributions from branches

Branch campaign contributions are recognised when the right to receive the contribution has been established.

Interest income

Interest income is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, The AEU - Federal Office reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income.

Other revenue

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)

(e) Income tax

In accordance with section 50-15 of the Income Tax Assessment Act, The AEU - Federal Office is exempt from income tax.

(f) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the Australian Taxation Office (ATO). In this case 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 balance sheet are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the balance sheet.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities, which are recoverable from, or payable to the ATO as classified as operating cash flow.

Commitments and contingencies are disclosed inclusive of GST.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

(g) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 30 September 2008 reporting periods. The AEU - Federal Office's assessment of the impact of these new standards and interpretations is set out below:

(i) AASB 8 Operating Segments and AASB 2007-3 Amendments to Australian Accounting Standards arising from AASB 8
AASB 8 and AASB 2007-3 are effective for annual reporting periods commencing on or after 1 January 2009. AASB 8 will not be applicable to The AEU - Federal Office.

(ii) Revised AASB 123 Borrowing Costs and AASB 2007-6 Amendments to Australian Accounting Standards arising from AASB 123 [AASB 1, AASB 101, AASB 107, AASB 111, AASB 116 & AASB 138 and Interpretations 1 & 12]
The revised AASB 123 is applicable to annual reporting periods commencing on or after 1 January 2009. It has removed the option to expense all borrowing costs and - when adopted - will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. There will be no impact on the financial report of The AEU - Federal Office.

(iii) AASB-I 14 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
AASB-I 14 will be effective for annual reporting periods commencing on or after 1 January 2008. It will not be applicable to The AEU - Federal Office.

(iv) Revised AASB 101 Presentation of Financial Statements and AASB 2007-8 Amendments to Australian Accounting Standards arising from AASB 101
A revised AASB 101 was issued in September 2007 and is applicable for annual reporting periods beginning on or after 1 January 2009. It requires the presentation of a statement of comprehensive income and makes changes to the statement of changes in equity, but will not affect any of the amounts recognised in the financial statements. If an entity has made a prior period adjustment or has reclassified items in the financial statements, it will need to disclose a third balance sheet (statement of financial position), this one being as at the beginning of the comparative period. The entity intends to apply the revised standard from 1 October 2008.

(h) Property, plant and equipment

Each class of property, plant and equipment is carried at historical cost less any accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of items.

Depreciation

Class of fixed asset	Depreciation rate/useful lives	Depreciation basis
Office equipment	20 - 33%	Diminishing Value
Furniture and Fittings	10%	Straight Line

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

(i) Investment in other financial assets

Classification

The AEU - Federal Office classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

The AEU - Federal Office does not hold any investments in the following categories: financial assets at fair value through profit or loss and held-to-maturity investments.

(i) Available-for-sale financial assets

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date. Investments are designated as available-for-sale if they do not have fixed maturities and fixed or determinable payments and management intends to hold them for the medium to long term.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are included in trade and other receivables in the balance sheet.

Recognition and derecognition

Regular purchases and sales of investments are recognised on trade-date - the date on which The AEU - Federal Office commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and The AEU - Federal Office has transferred substantially all the risks and rewards of ownership.

Subsequent measurement

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise.

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences related to changes in the amortised cost are recognised in profit or loss, and other changes in carrying amount are recognised in equity. Changes in the fair value of other monetary and non-monetary securities classified as available-for-sale are recognised in equity.

Details on how the fair value of financial instruments is determined are disclosed in note 25.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

(i) Investment in other financial assets (continued)

Impairment

The AEU - Federal Office assesses at each balance date whether there is objective evidence that a financial asset is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(j) Trade and other payables

These amounts represent liabilities for goods and services provided to The AEU - Federal Office prior to the end of the financial year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

(k) Employee benefits

(i) *Wages and salaries, annual leave and sick leave*

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulating sick leave expected to be settled within 12 months of the reporting date are recognised in other payables or in the provision for employee benefits, in respect of employees' services up to the reporting date and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and measured at the rates paid or payable.

(ii) *Long service leave*

The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on national government bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows

(iii) *Retirement benefit obligations*

Contributions are made to various defined contribution funds and are recognised as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

(l) Leases

Leases of property, plant and equipment where The AEU - Federal Office, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other short-term and long-term payables. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the asset's useful life and the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the entity as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

(m) Impairment of assets

Assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

(n) Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. Trade receivables are generally due for settlement within 30 days.

Collectibility of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollected are written off by reducing the carrying amount directly. An allowance account (provision for impairment of trade receivable) is used when there is objective evidence that The AEU - Federal Office will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

The amount of the impairment loss is recognised in the income statement within other expenses. When a trade receivable for which an impairment allowance had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the income statement. The amount of the provision is recognised in the income statement in other expenses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless The AEU - Federal Office has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on The AEU - Federal Office and that are believed to be reasonable under the circumstances.

(a) Critical accounting estimates and assumptions

The AEU - Federal Office makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. None of the estimates and assumptions are expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(b) Critical judgments in applying the entity's accounting policies

No critical judgements have been made in applying the entity's accounting policies.

NOTE 3: 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 section 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 made 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).

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 4: REVENUE

	2008	2007
	\$	\$
From continuing operations		
<i>Service revenue</i>		
Capitation fee	3,692,418	3,543,065
Publication levy	493,958	471,488
Library income	64,507	63,417
TAFE teacher	36,085	25,678
Australian Educator	63,858	70,545
Campaign contributions from branches	<u>2,070,406</u>	<u>2,331,089</u>
	<u>6,421,232</u>	<u>6,505,282</u>
<i>Other revenue</i>		
Interest	187,606	125,660
Rental income	108,561	103,794
Other revenue	<u>55,485</u>	<u>48,551</u>
	<u>6,772,884</u>	<u>6,783,287</u>

NOTE 5: SURPLUS FOR THE YEAR

	2008	2007
	\$	\$
The surplus for the year includes the following specific expenses:		
<i>Depreciation of non-current assets</i>		
Furniture and equipment	21,947	24,253
<i>Finance costs</i>		
Interest paid	29,559	29,001
<i>Bad and doubtful debts</i>		
Trade receivables	-	(6,155)
<i>Donations (total of individual amount over \$1000)</i>	13,500	11,650

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 6: ADMINISTRATION AND OTHER EXPENSES

	2008	2007
	\$	\$
Affiliation fees	8,861	6,910
Legal fees	27,096	63,340
Overseas travel allowances	12,000	11,410
Donations	17,301	1,136
Other expenses	<u>547,057</u>	<u>507,363</u>
	<u>612,315</u>	<u>590,159</u>

NOTE 7: CAMPAIGN AND PROJECT EXPENSES

	2008	2007
	\$	\$
Workers Rights campaign expenses	873,215	936,097
Public Education and other campaigns expenses	1,492,472	1,710,682
Research project and other campaign expenses	<u>56,682</u>	<u>16,500</u>
	<u>2,422,369</u>	<u>2,663,279</u>

NOTE 8: EMPLOYEE RELATED EXPENSES

	2008	2007
	\$	\$
Wages and salaries - staff	451,024	449,359
Wages and salaries - holders of office	950,204	814,157
Superannuation - staff	226,803	120,107
Superannuation - holders of office	178,609	237,016
Movement in long service leave prov - staff	21,474	37,961
Movement in long service leave prov - holders of office	5,915	24,747
Movement in annual leave prov - staff	(2,709)	26,775
Movement in annual leave prov - holders of office	(61,190)	64,673
Professional development	7,266	2,830
Other employee expenses	<u>154,095</u>	<u>142,207</u>
	<u>1,931,491</u>	<u>1,919,832</u>

NOTE 9: MEETING AND CONFERENCE EXPENSES

	2008	2007
	\$	\$
Meeting allowances	160,244	160,787
Other meeting expenses	<u>292,297</u>	<u>305,917</u>
	<u>452,541</u>	<u>466,704</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 10: AUDITORS' REMUNERATION

	2008	2007
	\$	\$
During the year the following fees were paid or payable for services provided by the auditor and its related practices:		
Audit or review of the financial report	<u>21,000</u>	<u>20,000</u>
	<u>21,000</u>	<u>20,000</u>

NOTE 11: CASH AND CASH EQUIVALENTS

	2008	2007
	\$	\$
Cash on hand	3,847	3,707
Cash at bank	3,120,068	3,259,196
Term deposit	<u>1,118,471</u>	<u>813,846</u>
	<u>4,242,386</u>	<u>4,076,749</u>

a) Reconciliation to cash at the end of the year

The above figures are reconciled to cash at the end of the financial year as shown in the cash flow statement as follows:

Balances as above	4,242,386	4,076,749
Bank overdrafts	<u>(157,130)</u>	<u>-</u>
Balances per cash flow statement	<u>4,085,256</u>	<u>4,076,749</u>

(b) Interest rate exposure

The exposure to interest rate risk is discussed in note 25.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 12: TRADE AND OTHER RECEIVABLES

	2008	2007
	\$	\$
CURRENT		
Branch receivables:		
AEU - ACT Branch	19,018	909
AEU - NSW Branch	417,384	34,003
AEU -NT Branch	13,134	3,590
AEU - QLD Branch	219,397	20,382
AEU - SA Branch	75,606	-
AEU - TAS Branch	36,132	8,129
AEU - VIC Branch	188,550	29,425
AEU - WA Branch	<u>93,257</u>	<u>25,874</u>
Total Branch Debtors	<u>1,062,478</u>	<u>122,312</u>
Other trade receivables	77,895	141,353
Prepayments	<u>67,674</u>	<u>50,243</u>
	<u>1,208,047</u>	<u>313,908</u>

(a) Impaired trade receivables

As at 30 September 2008 The AEU - Federal Office has no trade receivables that are impaired.

(b) Past due but not impaired

As of 30 September 2008, trade receivables of \$91,446 (2007 - \$39,349) were past due but not impaired. These relate to a number of independent debtors for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	2008	2007
	\$	\$
Up to 3 months	4,281	-
3 to 6 months	20,577	24,939
Over 6 months	66,588	14,410

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due. The AEU - Federal Office does not hold any collateral in relation to these receivables.

(c) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivables mentioned above. Refer to note 25 for more information on the risk management policy of The AEU - Federal Office and the credit quality of the trade receivables.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 13: AVAILABLE FOR SALE FINANCIAL ASSETS

	2008	2007
	\$	\$
NON-CURRENT		
Unlisted Units		
FEU Unit Trust at fair value	<u>3,259,360</u>	<u>3,412,626</u>

(a) Unlisted Units

The principal activities of the FEU Unit Trust are property investment. The AEU - Federal Office owns 20.9% (2007: 20.9%) of the issued units of the Unit Trust.

The fair value of the unlisted available-for-sale financial assets cannot be reliably measured as the range of reasonable fair value estimates is significant. As a result all unlisted available-for-sale financial assets are reflected at cost.

(b) Related party investment

See Note 24 for details of related party transactions.

(c) Impairment and risk exposure

None of the financial assets are either past due or impaired.

All available-for-sale financial assets are denominated in Australian currency. For an analysis of the sensitivity of available-for-sale financial assets to price and interest rate risk refer to note 25.

(d) Movements during the financial year:

Opening balance	3,412,626	1,362,591
Additions	-	34,272
Revaluation for year	<u>(153,266)</u>	<u>2,015,763</u>
Closing balance	<u>3,259,360</u>	<u>3,412,626</u>

NOTE 14: PROPERTY, PLANT AND EQUIPMENT

	2008	2007
	\$	\$
PLANT AND EQUIPMENT		
Office equipment		
At cost	152,663	128,398
Less accumulated depreciation	<u>(103,808)</u>	<u>(88,800)</u>
	<u>48,855</u>	<u>39,598</u>
Furniture, fixtures and fittings		
At cost	74,213	69,605
Less accumulated depreciation	<u>(32,003)</u>	<u>(25,063)</u>
	<u>42,210</u>	<u>44,542</u>
Total property, plant and equipment	<u>91,065</u>	<u>84,140</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 14: PROPERTY, PLANT AND EQUIPMENT (Continued)

(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 year.

2007	Office equipment	Furniture, fittings and fixtures	Total
	\$	\$	\$
Opening net book amount	42,964	51,503	94,467
Additions	13,926	-	13,926
Depreciation	<u>(17,292)</u>	<u>(6,961)</u>	<u>(24,253)</u>
Closing net book amount	<u>39,598</u>	<u>44,542</u>	<u>84,140</u>

2008	Office equipment	Furniture, fittings and fixtures	Total
	\$	\$	\$
Opening net book amount	39,598	44,542	84,140
Additions	24,264	4,608	28,872
Depreciation	<u>(15,007)</u>	<u>(6,940)</u>	<u>(21,947)</u>
Closing net book amount	<u>48,855</u>	<u>42,210</u>	<u>91,065</u>

b) Non-current assets pledged as security

Refer to note 25 for information on non-current assets that may have been pledged as security.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 15: TRADE AND OTHER PAYABLES

	2008	2007
	\$	\$
CURRENT		
Branch creditors		
AEU - ACT Branch	-	11,225
AEU - SA Branch	10,000	529
AEU - VIC Branch	<u>28,123</u>	<u>-</u>
Total branch creditors	<u>38,123</u>	<u>11,754</u>
Legal fees payables	-	17,024
Amounts due to the FEU Unit Trust	166,149	187,394
Other trade creditors	1,328,952	1,170,665
Other payables	<u>60,273</u>	<u>20,544</u>
	<u>1,593,497</u>	<u>1,407,381</u>

NOTE 16: BORROWINGS

	2008	2007
	\$	\$
CURRENT		
Bank overdrafts	<u>157,130</u>	<u>-</u>

(a) Security and fair value disclosure

Information about the security relating to each of the secured liabilities and the fair value of each of the borrowings is provided in note 25.

(b) Risk exposures

Details of The AEU - Federal Office's exposure to risks arising from current and non-current borrowings are set out in note 25.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 17: PROVISIONS

	2008	2007
	\$	\$
CURRENT		
Employee benefits - staff	352,723	333,958
Employee benefits - holders of office	610,182	642,762
Other provisions	<u>6,121</u>	<u>7,904</u>
	<u>969,026</u>	<u>984,624</u>

(a) Annual leave - amounts not expected to be settled within the next 12 months

The current employee benefit provisions include accruals for annual leave. The entire obligation is presented as current, since there is no unconditional right to defer settlement. However, based on past experience, not all employees are expected take the full amount of accrued leave within the next 12 months. The following amounts reflect leave that is not expected to be taken within the next 12 months:

	2008	2007
	\$	\$
Annual leave obligation expected to be settled after 12 months	<u>263,015</u>	<u>321,453</u>

(b) Long service leave - amounts not expected to be settled within the next 12 months

The current provision for long service leave includes all unconditional entitlements where employees have completed the required period of service and also those where employees are entitled to pro-rata payments in certain circumstances. The entire amount is presented as current, since there is no unconditional right to defer settlement. However, based on past experience, it is not expected that all employees to take the full amount of accrued long service leave or require payment within the next 12 months. The following amounts reflect leave that is not to be expected to be taken or paid within the next 12 months

	2008	2007
	\$	\$
Long service leave obligation expected to be settled after 12 months	<u>552,847</u>	<u>502,764</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 17: PROVISIONS (Continued)

(c) Movements in provisions -

	Employee benefits - staff	Employee benefits - holders of office	Other	Total
	\$	\$	\$	\$
At 1 October 2006	269,222	553,342	13,503	836,067
Charged to the income statement	<u>64,736</u>	<u>89,420</u>	<u>(5,599)</u>	<u>148,557</u>
At 30 September 2007	333,958	642,762	7,904	984,624
Charged to the income statement	<u>18,765</u>	<u>(32,580)</u>	<u>(1,783)</u>	<u>(15,598)</u>
At 30 September 2008	<u>352,723</u>	<u>610,182</u>	<u>6,121</u>	<u>969,026</u>

NOTE 18: RESERVES

		2008	2007
		\$	\$
Public Education/Campaign Reserve	(a)	918,816	508,365
Available for sale investments revaluation reserve	(b)	1,862,497	2,015,763
Allocated Funds Reserve	(c)	<u>58,200</u>	<u>181,280</u>
		<u>2,839,513</u>	<u>2,705,408</u>

(a) Public Education/campaign reserve

Movements during the financial year:

Opening balance	508,365	249,037
Funds allocated for year	<u>410,451</u>	<u>259,328</u>
Closing balance	<u>918,816</u>	<u>508,365</u>

The Public Education/Campaign reserve records funds set aside from the surplus for the purpose of funding future public education campaigns.

(b) Available for sale investments revaluation reserve

Movements during the financial year:

Opening balance	2,015,763	-
Revaluation	<u>(153,266)</u>	<u>2,015,763</u>
Closing balance	<u>1,862,497</u>	<u>2,015,763</u>

Changes in the fair value of investments classified as available for sale financial assets are taken to the available for sale investment valuation reserve as described in Note 1. Amounts are recorded in the profit and loss when the associated asset sold or impaired.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 18: RESERVES (Continued)

(c) Allocated Fund reserve

Movements during the financial year:

Opening balance	181,280	181,280
Funds allocated for year	<u>(123,080)</u>	<u>-</u>
Closing balance	<u>58,200</u>	<u>181,280</u>

The Allocated Fund reserve records funds set aside from the surplus for the purpose of funding future projects.

NOTE 19: ACCUMULATED SURPLUS

	2008	2007
	\$	\$
Movements in the accumulated surplus were as follows:		
Balance 1 October	2,790,010	2,506,405
Net surplus for the year	739,053	542,933
Transfer to reserves	<u>(287,371)</u>	<u>(259,328)</u>
Balance 30 September	<u>3,241,692</u>	<u>2,790,010</u>

NOTE 20: CONTINGENCIES

There are no known contingent assets or liabilities at 30 September 2008.

NOTE 21: COMMITMENTS

	2008	2007
	\$	\$
(a) Operating lease commitments		
Non-cancellable operating leases contracted for but not capitalised in the financial statements:		
Payable		
- not later than one year	80,616	41,297
- later than one year and not later than five years	<u>157,977</u>	<u>41,122</u>
	<u>238,593</u>	<u>82,419</u>

General description of leasing arrangement:

Leases of postage meter and photocopiers.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 22: RELATED PARTY TRANSACTIONS

(a) Transactions with related parties

The following transactions occurred with related parties:

	2008	2007
	\$	\$
<i>Superannuation contributions</i>		
Contributions to superannuation funds on behalf of employees.	405,412	357,124
<i>Administration fees received</i>		
from the Australian Education Union International Trust Fund	52,000	44,155
<i>Rent received</i>		
The AEU - Federal Office occupies premises owned by the Federation of Education Unions Unit Trust in which the AEU Federal office has an equity interest	108,561	103,794
<i>Outgoings paid</i>		
The AEU - Federal Office occupies premises owned by the Federation of Education Unions Unit Trust in which the AEU - Federal office has an equity interest	91,005	109,910

(b) Key management personnel

(i) The names of the Federal Executive who have held office during the financial year are:

Ann Taylor	Mary Bluett
Darcel Russell	Susan Hopgood
Howard Spreadbury	Maree O'Halloran
Clive Haggar (resigned 12 June 2008)	Maurie Mulheron
John Irving	Charline Emzin-Boyd
Linda Simon	Angelo Gavrielatos
Steve Ryan	Vicky Sykes
Bob Lipscombe	Lynette Winch
Brian Henderson (from 1 March 2008)	Correna Haythorpe (from 1 March 2008)
Nadine Williams (from 1 March 2008)	Penny Gilmour (from 28 June 2008)
Anne Gisborne (from 1 March 2008)	Terry Polglase (from 1 March 2008)
Pat Byrne (until 31 January 2008)	Mike Keely (until 28 February 2008)
Alan Perrin (until 28 February 2008)	Andrew Gohl (until 28 February 2008)
Jean Walker (until 28 February 2008)	Neil Free (until 28 February 2008)
Julie Brown (from 1 March 2008)	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 22: RELATED PARTY TRANSACTIONS (Continued)

(ii) The names of the Secretariat who have held office during the financial year are:

Susan Hopgood
Michaela Kronemann (resigned February 2008)
Roy Martin (resigned January 2008)
Darcel Russell
Catherine Davis
Pat Forward
Peter Job (appointed January 2008)
Wayne Costelloe
Jenni Devereaux
Rob Durbridge

2008	2007
\$	\$

(iii) The aggregate compensation made to key management personnel is as follows:

<i>Short-term benefits</i>	<u>1,073,538</u>	<u>1,140,593</u>
----------------------------	------------------	------------------

(e) Outstanding balances arising from sales/purchases of goods and services

These are disclosed in the accounts under the Trade Receivables and Trade Payables Notes to the accounts.

No provisions for doubtful debts have been raised in relation to any outstanding balances, and no expense has been recognised in respect of bad or doubtful debts due from related parties.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 23: CASH FLOW INFORMATION

	2008	2007
	\$	\$
Reconciliation of cash flow from operations with Surplus for the year		
Surplus for the year	739,053	542,933
<i>Non-cash flows in surplus</i>		
Depreciation	21,947	24,253
Charges to provisions	(1,783)	(5,599)
Bad debts written off	-	(6,155)
<i>Changes in assets and liabilities</i>		
(Increase)/decrease in receivables	(876,708)	209,429
Decrease in other assets	(17,431)	(9,530)
Increase(Decrease) in payables	179,729	959,200
Increase/(decrease) in provisions	<u>(13,815)</u>	<u>154,156</u>
Cash flows from operations	<u>30,992</u>	<u>1,868,687</u>

NOTE 24: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of The AEU - Federal Office, the results of those activities or the state of affairs of The AEU - Federal Office in the ensuing or any subsequent financial year.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 25: FINANCIAL RISK MANAGEMENT

The AEU - Federal Office's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk and liquidity risk.

The AEU - Federal Office's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of The AEU - Federal Office.

The AEU - Federal Office uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate and other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by the Federal Executive. The Federal Executive and management identify, evaluate and hedge financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

(a) Market risk

(i) Foreign exchange risk

The AEU - Federal Office is not exposed to foreign exchange risk.

(ii) Price risk

Market risk for The AEU - Federal Office is mainly price risk. Price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instruments or its issuer or to factors affecting all instruments traded in a market.

The AEU - Federal Office is exposed to securities price risk. This arises from investments held by The AEU - Federal Office and classified on the balance sheet as available for sale.

The AEU - Federal Office is not exposed to commodity price risk.

(iii) Cash flow and fair value interest rate risk

The AEU - Federal Office's main interest rate risk arises from borrowings. Borrowings at variable rates expose The AEU - Federal Office to cash flow interest rate risk. Borrowings issued at fixed rates expose The AEU - Federal Office to fair value interest rate risk.

(b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposure to branches, including outstanding receivables and committed transactions.

The AEU - Federal Office has no significant concentrations of credit risk.

Cash transactions are limited to high credit quality financial institutions.

The maximum exposure to credit risk at the reporting date is the carrying amount of the financial assets.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close-out market positions.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 25: FINANCIAL RISK MANAGEMENT (Continued)

Financing arrangements

Unrestricted access was available at balance date to the following lines of credit:

	2008	2007
	\$	\$
<i>Credit standby arrangements</i>		
Total facilities		
Autopay facility	<u>30,000</u>	<u>30,000</u>
	<u>30,000</u>	<u>30,000</u>
Used at balance date		
Bank overdraft	-	-
Autopay facility	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Unused at balance date		
Autopay facility	<u>30,000</u>	<u>30,000</u>
	<u>30,000</u>	<u>30,000</u>

The bank facilities may be drawn at any time and may be terminated by the bank without notice. Subject to the continuance of satisfactory credit ratings, the bank loan facilities may be drawn at any time in Australian dollar.

The autopay facility is secured by an equitable charge over a \$ 30,000 term deposit.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 25: FINANCIAL RISK MANAGEMENT (Continued)

(d) Maturity profile of financial instruments

The maturity profile of financial assets and liabilities held are detailed below.

2008								
Financial Assets								
	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Over 5 years	Non interest bearing	Total
	%	\$	\$	\$	\$	\$	\$	\$
Cash on hand	2.20	3,120,068	-	-	-	-	3,847	3,123,915
Deposits at bank	8.11	-	1,118,471	-	-	-	-	1,118,471
Trade debtors	-	-	-	-	-	-	1,140,373	1,140,373
Investment	-	-	-	-	-	-	3,259,360	3,259,360
		<u>3,120,068</u>	<u>1,118,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,403,580</u>	<u>8,642,119</u>
Financial Liabilities								
Trade and other payables	-	-	-	-	-	-	1,593,497	1,593,497
Bank overdraft	10.89	157,130	-	-	-	-	-	157,130
		<u>157,130</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,593,497</u>	<u>1,750,627</u>
Net Financial (Liabilities)		<u>2,962,938</u>	<u>1,118,471</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,810,083</u>	<u>6,891,492</u>
2007								
Financial Assets								
	Weighted Average Interest rate	Floating Interest rate	1 year or less	1 to 2 years	2 to 5 years	Over 5 years	Non interest bearing	Total
	%	\$	\$	\$	\$	\$	\$	\$
Cash on hand	5.10	3,259,196	-	-	-	-	3,707	3,262,903
Deposits at bank	6.25	-	813,846	-	-	-	-	813,846
Trade debtors	-	-	-	-	-	-	263,665	263,665
Investment	-	-	-	-	-	-	3,412,626	3,412,626
		<u>3,259,196</u>	<u>813,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,679,998</u>	<u>7,753,040</u>
Financial Liabilities								
Trade and other payables	-	-	-	-	-	-	1,407,381	1,407,381
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,407,381</u>	<u>1,407,381</u>
Net Financial (Liabilities)		<u>3,259,196</u>	<u>813,846</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,272,617</u>	<u>6,345,659</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 25: FINANCIAL RISK MANAGEMENT (Continued)

(e) Fair value estimation

The fair value of financial assets and financial liabilities must be estimated for recognition and measurement or for disclosure purposes.

The fair value of financial instruments that are not traded in an active market (for example, investments in unlisted unit trusts) is determined using valuation techniques. The AEU - Federal Office uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short-term nature.

(f) Sensitivity analysis

As at 30 September 2008, the effect on surplus as a result of changes in the interest rate, with all other variables remaining constant would be as follows:

	2008	2007
	\$	\$
Change in surplus		
Increase in interest rate by 2%	81,628	81,461
Decrease in interest rate by 2%	(81,628)	(81,461)

STATEMENT BY COMMITTEE OF MANAGEMENT

On 15th January 2009 the Committee of Management of the Australian Education Union - Federal Office passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 September 2008:

The Committee of Management declares in relation to the GPFR that in its opinion:

1. the financial statements and notes, as set out on pages 4 to 31 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 4 to 31 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 2008:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches 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 has been furnished and no order have been made under section 272 of the RAO Schedule by the Commission during the period.
 - f. No order have been made by the Commission under section 273 of the RAO Schedule during the period.
6. there was no wage recovery activities undertaken during the year.

For the Committee of Management.

Designate Officer


Susan Hopgood

15/1/09

Dated this 15th day of January 2009



B.G.L. & Associates Pty. Ltd.

A.B.N. 96 006 935 459

Suite 1, Ground Floor
598 St. Kilda Road
Melbourne VIC 3004

All correspondence to
PO Box 6094
St. Kilda Road Central
VIC 8008

t: (03) 9525 2511
f: (03) 9525 2829

e: bgl@bglassociates.com.au
w: www.bglassociates.com

Incorporating BGL & Associates

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

*Liability limited by a scheme approved under
Professional Standards Legislation*

Report on the Financial Report

We have audited the accompanying financial report of The AEU - Federal Office which comprises the income statement, balance sheet, statement of change in equity, cash flow statement for the year ended 30 September 2008, a summary of significant accounting policies and other explanatory notes and the Statement by Committee of Management.

Federal Executive's Responsibility for the Financial Report

The Federal Executive is responsible for the preparation and fair presentation of the financial report, in accordance with the Australian Accounting Standards (including Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the committee, as well as evaluating the overall presentation of the financial report.

Our audit did not involve an analysis of the prudence of business decisions made by the Federal Executive.

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







B.G.L. & Associates Pty. Ltd.

A.B.N. 96 006 935 459

Suite 1, Ground Floor
598 St. Kilda Road
Melbourne VIC 3004

All correspondence to
PO Box 6094
St. Kilda Road Central
VIC 8008

t: (03) 9525 2511
f: (03) 9525 2829

e: bgl@bglassociates.com.au
w: www.bglassociates.com

Incorporating BGL & Associates

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE (continued)**

*Liability limited by a scheme approved under
Professional Standards Legislation*

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion

In our opinion, the financial report of The AEU - Federal Office presents fairly the financial position of The AEU - Federal Office as at 30 September 2008 and the results of its operations, its changes in equity and cash flows for the financial year then ended, in accordance with any of the following that apply to the entity:

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

BGL & Associates
Chartered Accountants

I. A. Hinds - A.C.A.
Partner
(Member of Institute of Chartered Accountants of Australia and
holder of current practising certificate)

Melbourne
15 January 2009



AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008



Australian Education Union

Federal Office:

Ground Floor, 120 Clarendon Street, Southbank, Victoria, 3006

Federal Secretary: Susan Hopgood

Federal President: Angelo Gavrielatos

Telephone: 61 3 9693 1800

Facsimile: 61 3 9693 1805

Email: acu@aeufederal.org.au

TABLE OF CONTENTS

Operating Report	1
Discussion and analysis of the financial statements	4
Financial Report	
Income Statement	5
Balance Sheet	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Notes to the Financial Statements	9 - 10
Statement by Committee of Management	11
Independent Auditor's Report	12

Relationship of the concise financial report to the full financial report

The concise financial report is an extract from the full financial report for the year ended 30 September 2008. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Australian Education Union - Federal Office as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. This financial report covers Australian Education Union - Federal Office as an individual entity.

OPERATING REPORT

Your Committee of Management present their report on the Australian Education Union - Federal Office (the AEU - Federal Office) for the financial year ended 30 September 2008.

Members of Federal Executive

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

Ann Taylor	Mary Bluett
Darcel Russell	Susan Hopgood
Howard Spreadbury	Maree O'Halloran
Clive Haggard (resigned 12 June 2008)	Maurie Mulheron
John Irving	Charline Emzin-Boyd
Linda Simon	Angelo Gavrielatos
Steve Ryan	Vicky Sykes
Bob Lipscombe	Lynette Winch
Brian Henderson (from 1 March 2008)	Correna Haythorpe (from 1 March 2008)
Nadine Williams (from 1 March 2008)	Penny Gilmour (from 28 June 2008)
Anne Gisborne (from 1 March 2008)	Terry Polglase (from 1 March 2008)
Pat Byrne (until 31 January 2008)	Mike Keely (until 28 February 2008)
Alan Perrin (until 28 February 2008)	Andrew Gohl (until 28 February 2008)
Jean Walker (until 28 February 2008)	Neil Free (until 28 February 2008)
Julie Brown (from 1 March 2008)	

All Federal Executives have been in office since the start of the financial year to the date of this report unless otherwise stated.

Operating Results

The surplus for the financial year amounted to \$739,053 (30 September 2007 : surplus of \$542,933).

Review of Operations

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

Significant Changes in State of Affairs

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

Principal Activities

The principal activities of the AEU - Federal Office during the financial year were the protection and improvement of employment conditions for its members and advocacy for quality public education for all. No significant change in the nature of these activities occurred during the year.

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 AEU - Federal Office, the results of those operations, or the state of affairs of the AEU - Federal Office in future financial years.

OPERATING REPORT (Continued)

Right 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

- (1) Subject to sub-rule 17(1A) a member becomes ineligible for membership of the Union when he/she no longer meets the conditions of eligibility for membership of the Union.
- (1A) The following persons shall after the date referred to in sub-rule 5(12) be eligible to retain membership of the Union notwithstanding the fact that they are no longer eligible for membership within the conditions of eligibility for membership set out in rule 5:
 - (a) members who are eligible for membership pursuant to paragraphs 5(3)(a), (b) or (c) and are -
 - (i) seconded by their employer to non-teaching duties, or
 - (ii) appointed by the Minister for Education to any Board, Committee or statutory authority;
 - (b) members who were formerly eligible for membership pursuant to paragraph 5(4)(a), (b) or
 - (c) and have commenced to be employed elsewhere in the Victorian Education Department or in a technical and further education institution or by the Technical and Further Education Board or are seconded by their employer to perform professional duties requiring teacher qualifications;
 - (c) persons who become members of the Union prior to the date referred to in sub-rule 5(12) pursuant to paragraphs 5(3)(d) or 5(4)(d);provided that persons who are entitled to retain membership pursuant to this sub-rule should not be entitled to retain membership after the expiration of the secondment or appointment.
- (2) A member who becomes ineligible for membership of the Union shall within seven days thereof give written notice of the fact and the reason therefore to the Secretary of the Branch to which he/she is attached.
- (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. "

OPERATING REPORT (Continued)

Union details

The number of employees at 30 September 2008 was 19 (2007: 18)

The number of members at 30 September 2008 was 175,051 (2007: 168,792).

Directorships of Superannuation Fund

To the best of our knowledge and belief, no officer or member of the organisation, by virtue of their office or membership 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 or member being the trustee or director is that the officer or member is an officer or member of a registered organisation.

Signed in accordance with a resolution of the Federal Executive:

Designated Officer-----


Susan Hopgood

15 / 1 / 09 .

Dated this 15th day of January 2009

DISCUSSION AND ANALYSIS OF THE FINANCIAL STATEMENTS

Information on Australian Education Union - Federal Office Concise Financial Report

The concise financial report is an extract from the full financial report for the year ended 30 September 2008. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

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 financial statements and the information contained in the concise report has been derived from the full 2008 Financial Report of Australian Education Union - Federal Office.

Income Statement

The surplus attributable to members during the year is \$739,053 which is 36% higher than the results of 2007 where a surplus of \$542,933 was made. Revenue from continuing operation has decreased by 0.2% mainly due to reduced campaign levies. Expenses have decreased from last year by 3.3%. This decrease is primarily attributed to the cost of Federal Election campaigns in 2007.

Balance Sheet

Total assets increased by \$913,435 from \$7,887,423 in 2007 to \$8,800,858 in 2008 representing an increase of 12%. This increase was due to an increase in cash and cash equivalents and an increase in trade and other receivables.


Total liabilities increased by \$327,648 from \$2,392,005 in 2007 to \$ 2,719,653 representing an increase of 14%. This was attributable to increase in trade creditors at the year end when compared to 2007.

Overall members funds(equity) increased by \$585,787 which is the operating surplus less the change in reserves resulting from the revaluation of the investment for the year.

Cash Flows

Net cash inflows from operating activities was \$30,992 in 2008 compared with \$1,868,687 in 2007. The change was due to higher cash payments being made in 2008 mainly in relation to campaigns. Overall there was a net increase in cash and cash equivalents for the 2008 year of \$ 8,507 compared with an increase in 2007 from the 2006 year of \$1,908,790.

Designate Officer _____


Susan Hopgood

15/1/09

Dated this 15th day of January 2009

INCOME STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Note	2008 \$	2007 \$
Revenue from continuing operations	3	6,772,884	6,783,287
Administration and other expenses		(612,315)	(590,159)
Australian Educator expenses		(527,115)	(512,380)
Campaign and projects expenses		(2,422,369)	(2,663,279)
Employee related expenses		(1,931,491)	(1,919,832)
ITF allocation		(88,000)	(88,000)
Meeting and conference expenses		<u>(452,541)</u>	<u>(466,704)</u>
		<u>(6,033,831)</u>	<u>(6,240,354)</u>
Surplus for the year		<u>739,053</u>	<u>542,933</u>

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

BALANCE SHEET
 AS AT 30 SEPTEMBER 2008

	2008 \$	2007 \$
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	4,242,386	4,076,749
Trade and other receivables	<u>1,208,047</u>	<u>313,908</u>
TOTAL CURRENT ASSETS	<u>5,450,433</u>	<u>4,390,657</u>
NON-CURRENT ASSETS		
Available for sale financial assets	3,259,360	3,412,626
Property, plant and equipment	<u>91,065</u>	<u>84,140</u>
TOTAL NON-CURRENT ASSETS	<u>3,350,425</u>	<u>3,496,766</u>
TOTAL ASSETS	<u>8,800,858</u>	<u>7,887,423</u>
LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables	1,593,497	1,407,381
Borrowings	157,130	-
Provisions	<u>969,026</u>	<u>984,624</u>
TOTAL CURRENT LIABILITIES	<u>2,719,653</u>	<u>2,392,005</u>
TOTAL LIABILITIES	<u>2,719,653</u>	<u>2,392,005</u>
NET ASSETS	<u>6,081,205</u>	<u>5,495,418</u>
EQUITY		
Reserves	2,839,513	2,705,408
Accumulated surplus	<u>3,241,692</u>	<u>2,790,010</u>
TOTAL EQUITY	<u>6,081,205</u>	<u>5,495,418</u>

The above balance sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

	Accumulated surplus	Reserves	Total
	\$	\$	\$
Balance at 1 October 2006	2,506,405	430,317	2,936,722
Surplus for the year	542,933	-	542,933
Available for sale financial assets	-	2,015,763	2,015,763
Transfer from accumulated surplus	<u>(259,328)</u>	<u>259,328</u>	<u>-</u>
Balance at 30 September 2007	<u>2,790,010</u>	<u>2,705,408</u>	<u>5,495,418</u>
Balance at 1 October 2007	2,790,010	2,705,408	5,495,418
Surplus for the year	739,053	-	739,053
Available for sale financial assets	-	(153,266)	(153,266)
Transfer from accumulated surplus	<u>(287,371)</u>	<u>287,371</u>	<u>-</u>
Balance at 30 September 2008	<u>3,241,692</u>	<u>2,839,513</u>	<u>6,081,205</u>

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

CASH FLOW STATEMENT
 FOR THE YEAR ENDED 30 SEPTEMBER 2008

	2008 \$	2007 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from operations (inclusive of GST)	4,673,694	3,890,919
Receipt of campaign contributions from branches (inclusive of GST)	1,392,313	2,564,198
Sundry receipts	123,292	944,274
Payments to suppliers and employees (Inclusive of GST)	(6,345,913)	(5,656,364)
Interest received	<u>187,606</u>	<u>125,660</u>
Net cash inflow from operating activities	<u>30,992</u>	<u>1,868,687</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for property, plant and equipment	(28,872)	(13,926)
Payment for investments	<u>-</u>	<u>(34,272)</u>
Net cash (outflow) from investing activities	<u>(28,872)</u>	<u>(48,198)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	6,387	(5,954)
Repayment of loan from AEU- NT Branch	<u>-</u>	<u>94,255</u>
Net cash inflow from financing activities	<u>6,387</u>	<u>88,301</u>
Net increase/(decrease) in cash and cash equivalents	8,507	1,908,790
Cash and cash equivalents at beginning of financial year	<u>4,076,749</u>	<u>2,167,959</u>
Cash and cash equivalents at end of financial year	<u><u>4,085,256</u></u>	<u><u>4,076,749</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

This concise financial report relates to Australian Education Union - Federal Office. The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated in note 1 below.

NOTE 1: BASIS OF PREPARATION OF THE CONCISE FINANCIAL REPORT

The financial statements, specific disclosures and other information included in the concise financial report are derived from and are consistent with the full financial report of the 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 the Australian Education Union - Federal Office as the full financial report.

The financial report of the Australian Education Union - Federal Office has been prepared in accordance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the requirements of The Workplace Relations Act 1996. Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of full compliance with IFRS cannot be made due to the Australian Education Union - Federal Office applying the not for profit sector requirements contained in AIFRS.

The presentation currency used in this concise financial report is Australian dollars.

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 section 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 made 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).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2008

NOTE 3: REVENUE

	2008	2007
	\$	\$
From continuing operations		
<i>Service revenue</i>		
Capitation fee	3,692,418	3,543,065
Publication levy	493,958	471,488
Library income	64,507	63,417
TAFE teacher	36,085	25,678
Australian Educator	63,858	70,545
Campaign contributions from branches	<u>2,070,406</u>	<u>2,331,089</u>
	<u>6,421,232</u>	<u>6,505,282</u>
<i>Other revenue</i>		
Interest	187,606	125,660
Rental income	108,561	103,794
Other revenue	<u>55,485</u>	<u>48,551</u>
	<u>6,772,884</u>	<u>6,783,287</u>

NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE

No matter or circumstance has arisen since the end of the financial year to the date of this report, that has or may significantly affect the activities of the AEU - Federal Office, the results of those activities or the state of affairs of the AEU - Federal Office in the ensuing or any subsequent financial year.

STATEMENT BY COMMITTEE OF MANAGEMENT

On 15th January 2009 the Committee of Management of the Australian Education Union - Federal Office passed the following resolution in relation to the general purpose financial report (GPFR) of the reporting unit for the year ended 30 September 2008:

The Committee of Management declares in relation to the GPFR that in its opinion:

1. the financial statements and notes, as set out on pages 5 to 10 comply with Australian Accounting Standards and other mandatory professional reporting requirements;
2. the financial statements and notes, as set out on pages 5 to 10 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 AEU - 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 2008:
 - a. meetings of the Committee of Management were held in accordance with the rules of the organisation including the rules of branches 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 has been furnished and no order have been made under section 272 of the RAO Schedule by the Commission during the period.
 - f. No order have been made by the Commission under section 273 of the RAO Schedule during the period.
6. there was no wage recovery activities undertaken during the year.

For the Committee of Management.

Designate Officer



Susan Hopgood

Dated this 15th day of January 2009

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2008



Australian Education Union

Federal Office:

Ground Floor, 120 Clarendon Street, Southbank, Victoria, 3006

Federal Secretary: Susan Hoggood

Federal President: Angelo Gavrielatos

Telephone: 61 3 9693 1800

Facsimile: 61 3 9693 1805

Email: acu@acufederal.org.au

TABLE OF CONTENTS

Operating Report	1
Discussion and analysis of the financial statements	4
Financial Report	
Income Statement	5
Balance Sheet	6
Statement of Changes in Equity	7
Cash Flow Statement	8
Notes to the Financial Statements	9 - 10
Statement by Committee of Management	11
Independent Auditor's Report	12

Relationship of the concise financial report to the full financial report

The concise financial report is an extract from the full financial report for the year ended 30 September 2008. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report.

The concise financial report cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of Australian Education Union - Federal Office as the full financial report. Further financial information can be obtained from the full financial report.

The full financial report and auditor's report will be sent to members on request, free of charge. This financial report covers Australian Education Union - Federal Office as an individual entity.





B.G.L. & Associates Pty. Ltd.

A.B.N. 96 006 935 468

Suite 1, Ground Floor
598 St. Kilda Road
Melbourne VIC 3004

All correspondence to
PO Box 6094
St. Kilda Road Central
VIC 8008

t: (03) 9525 2511
f: (03) 9525 2829

e: bgl@bglassociates.com.au
w: www.bglassociates.com

Incorporating BGL & Associates

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE

*Liability limited by a scheme approved under
Professional Standards Legislation*

Report on the Concise Financial Report

The accompanying concise financial report of Australian Education Union - Federal Office balance sheet as at 30 June 2007 and the income statement, statement of changes in equity and cash flow statement for the year then ended and related notes derived from the audited financial report of Australian Education Union - Federal Office the year ended 30 September 2008, and the discussion and analysis. The concise financial report does not contain all of the disclosures required by Australian Accounting Standards.

Federal Executive's Responsibility for the Financial Report

The Federal Executive is responsible for the preparation and fair presentation of the concise financial report, in accordance with the Australian Accounting Standard AASB 1039: Concise Financial Reports (including Australian Accounting Interpretations) and the Workplace Relations Act 1996. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the concise financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standard of the financial report of Australian Education Union - Federal Office for the year ended 30 September 2008. Our audit report on the financial report for the year was signed on 15 January 2009 and was not subject to any modification. Australian Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

Our procedures in respect of the concise financial report included testing that the information in the concise financial report is derived from and is consistent with, the financial report for the year, on a test basis, of evidence supporting the amounts, discussion and analysis, and other disclosures which were not directly derived from the financial report for the year. The procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports* and whether the discussion and analysis complies with the requirements laid down in Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

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





B.G.L. & Associates Pty. Ltd.

A.B.N. 95 006 935 459

Suite 1, Ground Floor
598 St. Kilda Road
Melbourne VIC 3004
All correspondence to
PO Box 6094
St. Kilda Road Central
VIC 3008

t: (03) 9525 2511
f: (03) 9525 2829

e: bgl@bglassociates.com.au
w: www.bglassociates.com

Incorporating BGL & Associates

*Liability limited by a scheme approved under
Professional Standards Legislation*

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE (Continued)**

Independence

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

Auditor's Opinion on Concise Financial Report

In our opinion, the concise financial report including the discussion and analysis of Australian Education Union - Federal Office for the year ended 30 September 2008 complies with Australian Accounting Standard AASB 1039: *Concise Financial Reports*.

BGL & Associates

BGL & Associates
Chartered Accountants

I. A. Hinds

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

(Member of Institute of Chartered Accountants of Australia and
holder of current practising certificate)

15 January 2009
Melbourne



