



FAIR WORK
AUSTRALIA

16 May 2012

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

Email: aeu@aeufederal.org.au

Dear Ms Hopgood

Re: Financial Report for the Australian Education Union for the year ended 30 September 2011 - FR2011/2815

I acknowledge receipt of the financial report of the Australian Education Union for the year ended 30 September 2011. The documents were lodged with Fair Work Australia on 3 April 2012.

The financial report has now been filed.

In future years, in order for FWA to be satisfied that the legislative requirements have been met, it is our preference that the Designated Officer's Certificate states the date on which the members were provided with the full or concise report (whichever applicable).

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8661 7822 or by email at margaret.williams@fwa.gov.au.

Yours sincerely

MARGARET WILLIAMS
Organisations, Research and Advice



Australian Education Union

Federal Office

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

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Ref.: 031.001.001

2 April 2012

Ms Bernadette O'Neill
General Manager
Fair Work Australia
GPO Box 1994
Melbourne Vic 3001

Dear Ms O'Neill,

**Re: Financial Documents for the Australian Education Union
for year ended 30 September 2011**

In accordance with s268 of the Fair Work (Registered Organisations) Act 2009, I hereby lodge:

- (a) A copy of the AEU Financial Report for the year ending 30 September 2011;
- (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 29 March 2011.

Yours sincerely,

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

Susan Hopgood
Federal Secretary

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**



Australian Education Union

Federal Office:

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

Federal Secretary: Susan Hoppood

Federal President: Angelo Gavrielatos

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AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

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This financial report covers the Australian Education Union - 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 Fair Work (Registered Organisations) Act 2009 and is domiciled in Australia.

The principal place of business is:
Australian Education Union – Federal Office
G/F, 120 Clarendon Street
SOUTH BANK VIC 3006

The financial report was authorised for issue by the committee of management on the 23rd day of February 2012.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

OPERATING REPORT

The Federal Executive presents their report on the Australian Education Union - Federal Office (The AEU-Federal Office) for the financial year ended 30 September 2011.

Members of executive

The name of each person who has been a member of the Federal Executive at any time during or since the end of the financial year is as follows:

Name	Position	Name	Position
Mary Bluett	Deputy Federal President	Julie Brown	General Division
Carolyn Clancy	General Division	Allan Cook	General Division
Matthew Cranitch (elected 6 March 2011)	General Division	Peter de Graaff	TAFE Division
Jenny Diamond (elected 6 Jan 2011)	General Division	Charline Emzin-Boyd	Aboriginal & Torres Strait Islander Representative
Angelo Gavrielatos	Federal President	Penny Gilmour	General Division
Anne Gisborne	General Division	Correna Haythorpe	General Division
Brian Henderson	General Division	Susan Hopgood	Federal Secretary
Robert Lipscombe	General Division	Joan Lemaire	General Division
Meredith Peace	General Division	Maurie Mulheron	General Division
Steve Ryan	General Division	Paul Reardon	Federal TAFE President
Darcel Russell	Deputy Federal Secretary	Rod Smith (resigned 6 March 2011)	General Division
Howard Spreadbury	Early Childhood Representative	Lynette Winch	National Principals Committee Representative
Leanne Wright	General Division		

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

Significant changes in state of affairs

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

Review of principal activities and results of operations

The AEU is a professional and industrial organisation, registered under the Fair Work (Registered Organisations Act) 2009, representing teachers and other education workers in public early childhood education centres, schools and TAFE colleges across Australia. The AEU is a democratic, federated structure, with a Federal Office, based in Melbourne, and branches in every state and territory of Australia.

The primary object of the AEU is to represent the professional and industrial interests of its members and to promote and defend Australia's high quality public education system. We do this by enacting strategies and campaigns which enhance the working conditions, living standards and professional rights of members and the learning environment of students attending public early childhood education centres, schools and TAFE institutes.

The AEU is a democratic, membership-focused organisation, always aiming to act in the best interests of members and the public education system. The union at all levels operates on principles of effective transparent governance and strong leadership, providing an effective voice for the education profession in Australia and internationally.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

The AEU Federal Executive set the following strategic objectives for the period 2011 - 2013:

- Increase Government funding to public schools, early childhood education centres and TAFE institutes.
- Enhance and support the professional status of AEU members in public education.
- Protect and promote quality teaching and learning.
- Protect and enhance the industrial rights of AEU members.
- Promote human rights and social justice.

The principal activities of the AEU-Federal Office during the financial year have focussed on the achievement of these strategic objectives.

Results of activities

During the financial period the AEU has successfully campaigned for increased Government funding to public schools, early childhood education centres and TAFE institutes; enhanced and support the professional status of AEU members in public education through professional development and training and conferences, representation of members on professional bodies and to employers; made submissions and appeared before Commonwealth of Australia Parliamentary Committee and various federal Inquiries; protected and enhanced the industrial rights of AEU members with AEU Branches through industrial representation and negotiation of collective agreements; and campaigned and advocated for the protection and promotion of quality teaching and learning in public schools, early childhood and TAFE.

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 financial affairs of the AEU-Federal Office in future financial years.

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.

OPERATING REPORT (Continued)

Right of members to resign (Continued)

- (4) A notice of resignation from membership takes effect:-
 - (a) here 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."

Membership and employee numbers

The number of equivalent full time employees at 30 September 2011 was 20 (2010: 20)

The number of members at 30 September 2011 was 186,103 (2010: 184,685).

Superannuation trustees

To the best of the Federal Executive's belief and knowledge, no officer or member of the organisation, by virtue of their office or membership of the Australian Education Union is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme: or
- (ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme: and
- (iii) where the criterion for the officer or member being a 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

Dated this 23rd day of February 2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Notes	2011 \$	2010 \$
Revenue from continuing operations	4	7,261,031	7,723,544
Expenses			
Administrative and other expenses	6	(624,751)	(570,429)
AEIC expenses	7	-	(223,937)
Affiliation fees	8	(953,002)	(917,790)
Australian educator		(554,952)	(550,730)
Campaign and project expenses	9	(261,387)	(1,929,391)
Employee related expenses	10	(2,338,294)	(2,131,492)
ITF allocation		(88,000)	(88,000)
Meeting and conference expenses	11	(414,490)	(430,206)
		<u>(5,234,876)</u>	<u>(6,841,975)</u>
Net surplus for the year	5	2,026,155	881,569
Other comprehensive income		-	-
Total comprehensive income for the year		<u>2,026,155</u>	<u>881,569</u>
Total comprehensive income for the year is attributable to:			
Members of the union		<u>2,026,155</u>	<u>881,569</u>

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

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

BALANCE SHEET
AS AT 30 SEPTEMBER 2011

	Notes	2011 \$	2010 \$
ASSETS			
Current assets			
Cash and cash equivalents	12	8,097,936	7,121,954
Trade and other receivables	13	<u>850,099</u>	<u>1,434,354</u>
Total current assets		<u>8,948,035</u>	<u>8,556,308</u>
Non-current assets			
Available-for-sale financial assets	14	3,488,077	3,147,832
Property, plant and equipment	15	<u>83,292</u>	<u>71,440</u>
Total non-current assets		<u>3,571,369</u>	<u>3,219,272</u>
Total assets		<u>12,519,404</u>	<u>11,775,580</u>
LIABILITIES			
Current liabilities			
Trade and other payables	16	498,474	2,107,926
Provisions	17	<u>1,570,907</u>	<u>1,258,303</u>
Total current liabilities		<u>2,069,381</u>	<u>3,366,229</u>
Total liabilities		<u>2,069,381</u>	<u>3,366,229</u>
Net assets		<u>10,450,023</u>	<u>8,409,351</u>
FUNDS			
Reserves	18	4,451,888	3,540,526
General fund	19	<u>5,998,135</u>	<u>4,868,825</u>
Total funds		<u>10,450,023</u>	<u>8,409,351</u>

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

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	General Fund \$	Reserves \$	Total \$
Balance at 1 October 2009	4,129,955	3,560,143	7,690,098
Total comprehensive income for the year	881,569	-	881,569
Revaluation of financial assets	-	(162,316)	(162,316)
Transfer from general fund	<u>(142,699)</u>	<u>142,699</u>	<u>-</u>
Balance at 30 September 2010	<u>4,868,825</u>	<u>3,540,526</u>	<u>8,409,351</u>
Balance at 1 October 2010	4,868,825	3,540,526	8,409,351
Total comprehensive income for the year	2,026,155	-	2,026,155
Revaluation of financial assets	-	14,517	14,517
Transfer from general fund	<u>(896,845)</u>	<u>896,845</u>	<u>-</u>
Balance at 30 September 2011	<u>5,998,135</u>	<u>4,451,888</u>	<u>10,450,023</u>

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

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Notes	2011 \$	2010 \$
Cash flows from operating activities			
Receipts of capitation fees and levies (inclusive of GST)	24(a)	6,117,526	6,235,472
Receipts of campaign contributions from branches (inclusive of GST)	24(b)	1,582,570	809,225
Sundry receipts		283,503	67,135
Payments to suppliers and employees (inclusive of GST)		(7,221,482)	(5,735,725)
Interest received		385,288	192,299
Net cash inflow from operating activities	24(c)	<u>1,147,405</u>	<u>1,568,406</u>
Cash flows from investing activities			
Payment for investment		(325,728)	(31,926)
Payment for property, plant and equipment		(963)	(2,614)
Net cash (outflow) from investing activities		<u>(326,691)</u>	<u>(34,540)</u>
Cash flows from financing activities			
Loan received		169,929	-
Repayment of borrowing		(14,661)	(14,638)
Net cash inflow(outflow) from financing activities		<u>155,268</u>	<u>(14,638)</u>
Net increase in cash and cash equivalents		975,982	1,519,228
Cash and cash equivalents at beginning of financial year		7,121,954	5,602,726
Cash and cash equivalents at end of financial year	12(a)	<u>8,097,936</u>	<u>7,121,954</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

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.

The financial report includes the separate financial statements for the Australian Education Union - Federal Office (The AEU-Federal Office).

(a) Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the requirements of the Fair Work (Registered Organisations) Act 2009.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

The financial statements of the AEU-Federal Office comply with Australian Accounting Standards – Reduced Disclosure Requirements as issued by the Australian Accounting Standards Board (AASB).

Early adoption of standards

The AEU-Federal Office has elected to apply the following pronouncements to the annual reporting period beginning 1 July 2010:

- AASB 2010-4 Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project
- AASB 1053 Application of Tiers of Australian Accounting Standards and AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements

This includes applying the revised pronouncement to the comparatives in accordance with AASB 108 *Accounting Policies, Changes in Accounting Estimates and Errors*. None of the items in the financial statements had to be restated as the result of applying this standard. The adoption of AASB 1053 and AASB 2011-2 allowed the Branch to remove a number of disclosures. There was no other impact on the current or prior year financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

1: Summary of significant accounting policies

(b) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of amounts collected on behalf of third parties.

The AEU-Federal Office recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the AEU-Federal Office's activities as described below. The amount of revenue is not considered to be reliably measurable until all relating contingencies have been resolved. The AEU-Federal Office bases its estimates on historical results, taking into consideration the type of member, the type of transaction and the specifics of each arrangement.

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

Campaign contributions from branches are recognised when the right to receive the fee or levy 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).

(c) Income tax

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

(d) Cash and cash equivalents

For statement of cash flows 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

1: Summary of significant accounting policies (Continued)

(e) 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.

(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 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. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

Fair value

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the AEU-Federal Office establishes fair value by using valuation techniques. These include reference to the fair values of recent arm's length transactions, involving the same instruments or other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

1: Summary of significant accounting policies (Continued)

(f) 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 traded in active markets (such as publicly traded derivatives, and trading and available-for-sale securities) is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the AEU-Federal Office is the current bid price; the appropriate quoted market price for financial liabilities is the current ask price.

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values due to their short term nature. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the AEU-Federal Office for similar financial instruments.

(g) 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

The depreciable amount of all fixed assets including buildings are depreciated over their estimated useful lives to the AEU-Federal Office commencing from the time the asset is held ready for use.

Class of fixed asset	Depreciation rate	Depreciation basis
Office and computer 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.

(h) 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

1: Summary of significant accounting policies (Continued)

(i) Goods and Service 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.

(j) 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 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.

(k) Functional and presentation currency

Items included in the financial report are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial report is presented in Australian dollars, which is the AEU-Federal Office's functional and presentation currency.

(l) 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 2011

1: Summary of significant accounting policies (Continued)

(m) Impairment of assets

Other 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 that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

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 AEU-Federal 's accounting policies

The following are the critical judgements that management has made in the process of applying the AEU-Federal Office's accounting policies and that have the most significant effect on the amounts recognised in the financial statements:

Employee entitlements

Management judgements is applies in determining the following key assumptions in the calculation of long service leave at balance date:

- future increase in wages and salaries;
- future on-costs rates; and
- experience of employees departures and period of service.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

3: Information to be provided to members or General Manager of FWA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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 the General Manager of FWA, 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).

4: Revenue

	Notes	2011 \$	2010 \$
From continuing operations			
<i>Service revenue</i>			
Affiliation fees levy	a	943,740	889,987
Australian Educator		47,179	33,099
Campaign contributions from branches	b	554,055	542,331
Capitation fees	c	4,466,470	4,228,032
Library income		59,845	59,373
Publication levy	d	576,450	550,592
School funding review advertising contribution from branches	e	-	900,009
TAFE teacher		39,761	28,303
		<u>6,687,500</u>	<u>7,231,726</u>
<i>Other revenue</i>			
Interest		365,733	283,072
Rent		118,717	119,654
Other revenue		89,081	89,092
		<u>573,531</u>	<u>491,818</u>
		<u><u>7,261,031</u></u>	<u><u>7,723,544</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

4: Revenue (Continued)

(a) Affiliation fees levy

	2011	2010
	\$	\$
ACT Branch	15,826	15,267
NSW Branch	314,377	303,988
NT Branch	10,495	10,097
QLD Branch	201,481	200,268
SA Branch	68,576	66,447
TAS Branch	31,702	26,733
VIC Branch	229,052	198,441
SSTUWA for the WA Branch	72,231	68,746
	<u>943,740</u>	<u>889,987</u>

(b) Campaign contributions from branches

	2011	2010
	\$	\$
ACT Branch	9,291	9,303
NSW Branch	184,566	185,241
NT Branch	6,162	6,153
QLD Branch	118,287	122,037
SA Branch	40,260	40,491
TAS Branch	18,612	16,290
VIC Branch	134,472	120,924
SSTUWA for the WA Branch	42,405	41,892
	<u>554,055</u>	<u>542,331</u>

(c) Capitation fees

	2011	2010
	\$	\$
ACT Branch	75,312	73,022
NSW Branch	1,496,937	1,456,893
NT Branch	49,915	48,669
QLD Branch	965,947	940,141
SA Branch	326,698	319,347
TAS Branch	146,220	131,528
VIC Branch	1,062,835	932,844
SSTUWA for the WA Branch	342,606	325,588
	<u>4,466,470</u>	<u>4,228,032</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

4: Revenue (Continued)

(d) Publication levy

	2011	2010
	\$	\$
ACT Branch	9,720	9,511
NSW Branch	193,198	189,766
NT Branch	6,442	6,340
QLD Branch	124,668	122,391
SA Branch	42,164	41,600
TAS Branch	18,871	17,144
VIC Branch	137,170	121,445
SSTUWA for the WA Branch	44,217	42,395
	<u>576,450</u>	<u>550,592</u>

(e) School funding review advertising contribution from branches

	2011	2010
	\$	\$
ACT Branch	-	15,210
NSW Branch	-	291,963
NT Branch	-	10,440
QLD Branch	-	202,862
SA Branch	-	67,051
TAS Branch	-	30,150
VIC Branch	-	212,672
SSTUWA for the WA Branch	-	69,661
	<u>-</u>	<u>900,009</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

5: Expenses

	2011 \$	2010 \$
The surplus for the year includes the following specific expenses:		
<i>Depreciation of non-current assets</i>		
Office equipment	10,120	20,144
Furniture, fixtures and fittings	6,841	6,841
	<u>16,961</u>	<u>26,985</u>
<i>Finance costs</i>		
Interest paid	12,004	27,275
<i>Bad and doubtful debts</i>		
Trade receivables	-	3,136
<i>Sponsorship & Donations (total of individual amounts more than \$1,000)</i>	21,882	14,500
<i>Loss on disposals of fixed assets</i>	11,300	700

During the year the following fees were paid or payable for services provided by the auditor and its related practices:

Audit of the financial report	26,250	22,000
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6: Administration and other expenses

	2011 \$	2010 \$
Legal fees	74,124	66,448
Overseas travel allowances	4,020	11,462
Donations (>\$1,000 each)	18,882	16,326
Donations (<\$1,000 each)	704	-
Other expenses	527,021	476,193
	<u>624,751</u>	<u>570,429</u>

7: AEIC expenses

	2011 \$	2010 \$
AEIC employee support	-	85,000
AEIC loan written off	-	102,469
Legal fee	-	36,468
	<u>-</u>	<u>223,937</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

8: Affiliation fees

	2011 \$	2010 \$
ACTU	581,758	542,331
EI	361,983	365,733
ACOSS	1,091	1,090
APHEDA	3,327	3,327
Australian Institute Employment Right	3,000	3,000
Others	1,843	2,309
	<u>953,002</u>	<u>917,790</u>

9: Campaign and project expenses

	2011 \$	2010 \$
Workers rights campaign	547	190,777
Public education and other campaigns	179,708	1,626,992
Research project and other campaigns	50,630	69,752
Sponsorship	3,000	-
Campaign meetings	2,475	-
Campaign materials	25,027	41,870
	<u>261,387</u>	<u>1,929,391</u>

10: Employee related expenses

	2011 \$	2010 \$
Wages and salaries – staff	587,409	512,709
Wages and salaries – holders of office	989,231	1,022,367
Superannuation – staff	109,158	132,430
Superannuation – holders of office	210,795	174,506
Movement in long service leave provision - staff	50,288	24,339
Movement in long service leave provision – holders of office	69,463	77,346
Movement in annual leave provision - staff	13,605	5,149
Movement in annual leave provision – holders of office	143,032	29,933
Professional development	9,389	5,446
Other employee expenses	155,924	147,267
	<u>2,338,294</u>	<u>2,131,492</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2011

11: Meeting and conference expenses

	2011 \$	2010 \$
Meeting allowances	133,042	135,134
Other meeting expenses	<u>281,448</u>	<u>295,072</u>
	<u>414,490</u>	<u>430,206</u>

12: Current assets – Cash and cash equivalents

	2011 \$	2010 \$
Cash on hand	2,779	2,712
Cash at bank	2,549,702	1,905,876
Deposits at call	<u>5,545,455</u>	<u>5,213,366</u>
	<u>8,097,936</u>	<u>7,121,954</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 statement of cash flows as follows:

Balances as above	<u>8,097,936</u>	<u>7,121,954</u>
Balances per statement of cash flows	<u>8,097,936</u>	<u>7,121,954</u>

13: Current assets – Trade and other receivables

	2011 \$	2010 \$
<i>Branch Receivables:</i>		
ACT Branch	2,555	2,931
NSW Branch	518,554	372,100
NT Branch	1,695	14,280
QLD Branch	32,529	256,708
SA Branch	11,071	85,708
TAS Branch	5,118	38,373
VIC Branch	37,020	267,266
SSTUWA for the WA Branch	<u>11,661</u>	<u>88,147</u>
	<u>620,203</u>	<u>1,125,513</u>
Prepayments	124,128	59,839
Other receivables	<u>105,768</u>	<u>249,002</u>
	<u>850,099</u>	<u>1,434,354</u>

(a) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the AEU-Federal Office. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

14: Non-current assets – Available for sale financial assets

	2011 \$	2010 \$
Unlisted investments in unit trusts	<u>3,488,077</u>	<u>3,147,832</u>

These financial assets are carried at fair value.

These investments include the following surplus/(deficit) transferred to equity at reporting date:

Opening balance	3,147,832	3,278,222
Additions	325,728	31,926
Increase/(Decrease) in investment revaluation reserve	14,517	(162,316)
Closing balance	<u>3,488,077</u>	<u>3,147,832</u>

15: Non-current assets – Property, plant and equipment

	2011 \$	2010 \$
Plant and equipment		
Office equipment		
At cost	98,469	174,763
Less accumulated depreciation	<u>(37,918)</u>	<u>(130,818)</u>
	<u>60,551</u>	<u>43,945</u>
Furniture, fixtures and fittings		
At cost	70,498	68,411
Less accumulated depreciation	<u>(47,757)</u>	<u>(40,916)</u>
	<u>22,741</u>	<u>27,495</u>
Total property, plant and equipment	<u>83,292</u>	<u>71,440</u>

(a) Non-current assets pledged as security

None of the non-currents assets are pledged as security.

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2011

15: Non-current assets – Property, plant and equipment (Continued)

(b) 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:

2010	Office equipment	Furniture, fittings and fixtures	Total
	\$	\$	\$
Opening net book amount	61,722	34,789	96,511
Additions	2,614	-	2,614
Disposals	(247)	(453)	(700)
Depreciation	(20,144)	(6,841)	(26,985)
Closing net book amount	<u>43,945</u>	<u>27,495</u>	<u>71,440</u>
	\$	\$	\$
2011	Office equipment	Furniture, fittings and fixtures	Total
Opening net book amount	43,945	27,495	71,440
Additions	39,797	2,087	41,884
Disposals	(13,071)	-	(13,071)
Depreciation	(10,120)	(6,841)	(16,961)
Closing net book amount	<u>60,551</u>	<u>22,741</u>	<u>83,292</u>

16: Current liabilities – Trade and other payables

	2011	2010
	\$	\$
<i>Unsecured:</i>		
Due to the FEU Unit trust	56,838	97,912
Trade creditors	288,701	510,197
Amount due for school funding review	-	1,439,438
Legal fee payable	-	1,786
Other payables and accruals	152,935	58,593
	<u>498,474</u>	<u>2,107,926</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

17: Current liabilities – Provisions

	2011 \$	2010 \$
Employee benefits - staff	441,957	400,334
Employee benefits – holders of office	1,062,075	796,885
Other provisions	<u>66,875</u>	<u>61,084</u>
	<u>1,570,907</u>	<u>1,258,303</u>

(a) Employee benefits - long service leave

Included in the employee benefits provision is a provision that has been recognised for future employee benefits relating to long service leave for employees. In calculating the present value of future cash flows in respect of long service leave, the probability of long service leave being taken is based on an assessment of the individual employee's circumstances. The measurement and recognition criteria for employee benefits have been included in Note 1.

	Employee entitlement \$	Other provisions \$	Total \$
Balance at 1 October 2009	1,061,612	39,072	1,100,684
Charged to income statement	<u>135,607</u>	<u>22,012</u>	<u>157,619</u>
Balance at 30 September 2010	1,197,219	61,084	1,258,303
Amount transferred from Vic Branch	30,425	-	30,425
Charged to income statement	<u>276,388</u>	<u>5,791</u>	<u>282,179</u>
Balance at 30 September 2011	<u>1,504,032</u>	<u>66,875</u>	<u>1,570,907</u>

18: Reserves

	2011 \$	2010 \$
Public education campaign reserve	(a) 2,269,535	1,422,690
Workers rights campaign reserve	(b) 409,455	359,455
Available for sale investments revaluation reserve	(c) 1,714,698	1,700,181
Allocated funds reserve	(d) <u>58,200</u>	<u>58,200</u>
	<u>4,451,888</u>	<u>3,540,526</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

18: Reserves (Continued)

(a) Public education campaign reserve

	2011	2010
<i>Movements during the financial year:</i>	\$	\$
Opening balance	1,422,690	1,149,214
Funds allocated for year	846,845	273,476
Closing balance	<u>2,269,535</u>	<u>1,422,690</u>

The public education campaign fund reserve records funds set aside from the surplus for the purpose of funding future public education campaigns.

(b) Workers rights campaign reserve

	2011	2010
<i>Movements during the financial year:</i>	\$	\$
Opening balance	359,455	490,232
Funds allocated for year	50,000	(130,777)
Closing balance	<u>409,455</u>	<u>359,455</u>

The worker rights campaign reserve records funds set aside from the surplus for the purpose of funding future worker rights campaigns.

(c) Available for sale investment revaluation reserve

	2011	2010
<i>Movements during the financial year:</i>	\$	\$
Opening balance	1,700,181	1,862,497
Revaluation	14,517	(162,316)
Closing balance	<u>1,714,698</u>	<u>1,700,181</u>

Changes in fair value arising on translation of investments such as equities, classified as available-for-sale financial assets, are taken to the available-for-sale investments revaluation reserve, as described in note 1. Amounts are recognised in the income statement when the associated assets are disposed of or impaired.

(d) Allocated funds reserve

	2011	2010
<i>Movements during the financial year:</i>	\$	\$
Opening balance	58,200	58,200
Funds allocated for year	-	-
Closing balance	<u>58,200</u>	<u>58,200</u>

The allocated funds reserve records funds allocated from the surplus for the purpose of funding future projects.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

19: General funds

	2011 \$	2010 \$
<i>Movements in the general funds were as follows:</i>		
Balance 1 October	4,868,825	4,129,955
Net surplus for the year	2,026,155	881,569
Transfer to reserves	<u>(896,845)</u>	<u>(142,699)</u>
Balance 30 September	<u>5,998,135</u>	<u>4,868,825</u>

20: Contingencies

There are no known contingent assets or liabilities at 30 September 2011.

21: Commitments

	2011 \$	2010 \$
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	39,494	39,494
Later than one year but no later than five years	<u>39,495</u>	<u>78,989</u>
	<u>78,989</u>	<u>118,483</u>

General description of leasing arrangement:

Leases are for photocopiers and postage meters.

22: Events occurring after 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 2011

23: Related party transactions

(a) Transactions with related parties

	2011	2010
	\$	\$
<i>Sales of goods and services:</i>		
<i>Capitation fees and levies received</i>		
Some capitation fee and levies are paid by associated entities of the affiliated branches as allowed by rule 11(7).		
<i>Administration fees received</i>		
From the Australian Education Union International Trust Fund	50,000	50,000
<i>Rent received</i>		
From the Federation of Education Unions Unit trust	118,717	119,654
<i>Purchases of goods and services:</i>		
<i>Outgoings paid</i>		
To the Federation of Education Unions Unit trust	(92,172)	(66,582)
<i>Superannuation contributions</i>		
Defined contribution superannuation contributions on behalf of employees	319,953	306,936

(b) Outstanding balances arising from sales and purchases of goods and services:

These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts.

No provision for impairment has been raised in relation to any of these 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 2011

23: Related party transactions (Continued)

(c) Key management personnel

Members of Executive

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

Name	Position	Name	Position
Mary Bluett	Deputy Federal President	Julie Brown	General Division
Carolyn Clancy	General Division	Allan Cook	General Division
Matthew Cranitch (elected 6 March 2011)	General Division	Peter de Graaff	TAFE Division
Jenny Diamond (elected 6 Jan 2011)	General Division	Charline Emzin-Boyd	Aboriginal & Torres Strait Islander Representative
Angelo Gavrielatos	Federal President	Penny Gilmour	General Division
Anne Gisborne	General Division	Correna Haythorpe	General Division
Brian Henderson	General Division	Susan Hopgood	Federal Secretary
Robert Lipscombe	General Division	Joan Lemaire	General Division
Meredith Peace	General Division	Maurie Mulheron	General Division
Steve Ryan	General Division	Paul Reardon	Federal TAFE President
Darcel Russell	Deputy Federal Secretary	Rod Smith (resigned 6 March 2011)	General Division
Howard Spreadbury	Early Childhood Representative	Lynette Winch	National Principals Committee Representative
Leanne Wright	General Division		

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

Catherine Davis	Susan Hopgood
Jenni Devereaux	Peter Job
Rob Durbridge (resigned January 2011)	Mark Robinson
Pat Forward	Darcel Russell
Dave Colley (appointed February 2011)	

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

	2011	2010
	\$	\$
Short term benefits	<u>1,412,521</u>	<u>1,304,152</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2011

24: Cash flow information

(a) Receipts of capitation fees and levies (inclusive of GST)

	2011	2010
	\$	\$
ACT Branch	110,944	107,580
NSW Branch	1,737,165	2,145,712
NT Branch	73,537	71,617
QLD Branch	1,421,306	1,389,080
SA Branch	481,182	470,133
TAS Branch	216,472	192,946
VIC Branch	1,571,962	1,378,003
SSTUWA for the WA Branch	504,958	480,401
	<u>6,117,526</u>	<u>6,235,472</u>

(b) Receipts of campaign contributions from branches (inclusive of GST)

	2011	2010
	\$	\$
ACT Branch	10,596	27,645
NSW Branch	524,367	265,211
NT Branch	19,364	6,720
QLD Branch	354,295	242,814
SA Branch	118,923	50,076
TAS Branch	53,728	18,252
VIC Branch	378,165	152,266
SSTUWA for the WA Branch	123,132	46,241
	<u>1,582,570</u>	<u>809,225</u>

(c) Reconciliation of cash flow from operations with the surplus for the year

	2011	2010
	\$	\$
Surplus for the year	2,026,155	881,569
<i>Non-cash flows in surplus</i>		
Depreciation	16,961	26,985
Bad debts	-	3,136
Loss on disposal of assets	11,300	700
Write back of creditors	-	(33,985)
<i>Changes in assets and liabilities</i>		
Decrease (Increase) in trade and other receivables	502,987	(975,674)
(Decrease) Increase in payables	(1,722,602)	1,508,057
Increase in provisions	312,604	157,618
Cash flows from operations	<u>1,147,405</u>	<u>1,568,406</u>

COMMITTEE OF MANAGEMENT STATEMENT

On 23rd February 2012 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 2011:

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 27 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 4 to 27 comply with the reporting guidelines of the General Manager of FWA;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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 2011:
 - 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 the 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 the Australian Education Union - Federal Office have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - d. the financial records of the Australian Education Union - Federal Office have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the union; and
 - e. the information sought in any request of a member of the Australian Education Union - Federal Office or the General Manager of FWA under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWA; and
 - f. No orders have been made by the FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
6. There were no wage recovery activities undertaken during the year.

For the Committee of Management

Designated Officer



Susan Hopgood

Dated this 23rd day of February 2012



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

Report on the financial report

We have audited the accompanying general purpose financial report of the Australian Education Union – Federal Office, which comprises the balance sheet as at 30 September 2011, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

Committee of Management 's responsibility for the financial report

The Committee of Management is responsible for the preparation of the financial report in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee of Management determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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. Those Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

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

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





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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion the general purpose financial report is presented fairly in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the requirements imposed by Part 3 of Chapter 8 of the Fair Work (Registered Organisations) Act 2009

BGL & Associates
Chartered Accountants

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

Member of The Institute of Chartered Accountants in Australia and
holder of current Public Practice Certificate

23 February 2012
Melbourne



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

**ANNUAL CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2011**



Australian Education Union

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Relationship of the concise financial report to the full financial reports

The financial report is an extract from the full financial report for the year ended 30 September 2011. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report. These concise financial statements cover the Australian Education Union - Federal Office as an individual entity.

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. Please contact the Australian Education Union - Federal Office and a copy will be forwarded to you.

The committee of management has resolved on 23rd of February 2012 that this concise report be provided in accordance with s265 (2) of the Fair Work (Registered Organisations) Act 2009.

DISCUSSION AND ANALYSIS OF FINANCIAL REPORT

Information on the Australian Education Union - Federal Office Concise Financial Report

The concise financial report has been derived from the 2011 full financial report of the Australian Education Union - Federal Office and cannot be expected to provide as full an understanding of the financial performance, financial position and investing activities of the reporting unit as the full report. A copy of the full financial report and the auditor's report will be sent to any member, free of charge, upon request.

The discussion and analysis is provided to assist members in understanding the concise financial report. The discussion and analysis is based on the Australian Education Union - Federal Office's financial statements and the information contained in the concise financial report has been derived from the full 2011 financial report of the Australian Education Union - Federal Office.

Statement of Comprehensive Income

The surplus attributable to members for the year was \$2,026,155 compared with a \$881,569 surplus last year. This was a despite income reducing from \$ 7,723,544 in 2010 to \$ 7,261,031 in 2011 as expenses reduced from \$ 6,841,975 in 2010 to \$ 5,234,876 in 2011.

Income:

The income received from capitation fees increased by \$ 238,438 which resulted from an increase of membership of the AEU and an increase in the capitation rate of 3% as a result of increases in the ACT teacher salary rate. However, the overall revenue reduced compared to the previous year due to the 2010 levy for school funding review advertising which raised \$ 900,009 not being repeated in 2011.

Expenses:

This reduction in the school funding levy was mirrored by a reduction in the campaign and project expenses which reduced from \$ 1,929,391 in 2010 to \$ 261,387 in 2011. In addition to this, expenses were lower as the AEIC expense of \$ 223,937 was not repeated in 2011.

Balance Sheet

Total assets increased by 6% or \$743,824 from \$11,775,580 in 2010 to \$12,519,404 this year mainly due to an increase in cash on hand and the value of the available-for-sale financial assets at the year end. Total liabilities decreased by \$1,296,848 or 38% from \$3,366,229 in 2010 to \$2,069,381 in 2011. The net result was an overall increase in members' funds of \$2,040,672. Campaign Funds, specifically for the AEU National Public Education Campaigns – the School Funding Review Campaign, TAFE funding Campaign and the Indigenous Education Campaign have been set aside in a reserve fund for the activities which will be held in 2012.

Statement of Cash Flows

Net cash flows from operations decreased by \$ 421,001 from \$1,568,406 in 2010 to \$1,147,405 in 2011. The result was a combination of a decrease in funds received from operations combined with an increase of payments to suppliers and employees.

Overall cash balances increased by \$975,982 from last year, with cash on hand and at banks at 30 September 2011 being \$8,097,936 (2010: \$7,121,954).

Signed in accordance with a resolution of the Committee of Management



Designated Officer – Susan Hopgood

Dated this 23rd day of February 2012

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

OPERATING REPORT

The Federal Executive presents their report on the Australian Education Union - Federal Office (The AEU-Federal Office) for the financial year ended 30 September 2011.

Members of executive

The name of each person who has been a member of the Federal Executive at any time during or since the end of the financial year is as follows:

<i>Name</i>	<i>Position</i>	<i>Name</i>	<i>Position</i>
Mary Bluett	Deputy Federal President	Julie Brown	General Division
Carolyn Clancy	General Division	Allan Cook	General Division
Matthew Cranitch (elected 6 March 2011)	General Division	Peter de Graaff	TAFE Division
Jenny Diamond (elected 6 Jan 2011)	General Division	Charline Emzin-Boyd	Aboriginal & Torres Strait Islander Representative
Angelo Gavrielatos	Federal President	Penny Gilmour	General Division
Anne Gisborne	General Division	Correna Haythorpe	General Division
Brian Henderson	General Division	Susan Hopgood	Federal Secretary
Robert Lipscombe	General Division	Joan Lemaire	General Division
Meredith Peace	General Division	Maurie Mulheron	General Division
Steve Ryan	General Division	Paul Reardon	Federal TAFE President
Darcel Russell	Deputy Federal Secretary	Rod Smith (resigned 6 March 2011)	General Division
Howard Spreadbury	Early Childhood Representative	Lynette Winch	National Principals Committee Representative
Leanne Wright	General Division		

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

Significant changes in state of affairs

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

Review of principal activities and results of operations

The AEU is a professional and industrial organisation, registered under the Fair Work (Registered Organisations Act) 2009, representing teachers and other education workers in public early childhood education centres, schools and TAFE colleges across Australia. The AEU is a democratic, federated structure, with a Federal Office, based in Melbourne, and branches in every state and territory of Australia.

The primary object of the AEU is to represent the professional and industrial interests of its members and to promote and defend Australia's high quality public education system. We do this by enacting strategies and campaigns which enhance the working conditions, living standards and professional rights of members and the learning environment of students attending public early childhood education centres, schools and TAFE institutes.

The AEU is a democratic, membership-focused organisation, always aiming to act in the best interests of members and the public education system. The union at all levels operates on principles of effective transparent governance and strong leadership, providing an effective voice for the education profession in Australia and internationally.

OPERATING REPORT (Continued)

Review of principal activities and results of operations (Continued)

The AEU Federal Executive set the following strategic objectives for the period 2011 - 2013:

- Increase Government funding to public schools, early childhood education centres and TAFE institutes.
- Enhance and support the professional status of AEU members in public education.
- Protect and promote quality teaching and learning.
- Protect and enhance the industrial rights of AEU members.
- Promote human rights and social justice.

The principal activities of the AEU-Federal Office during the financial year have focussed on the achievement of these strategic objectives.

Results of activities

During the financial period the AEU has successfully campaigned for increased Government funding to public schools, early childhood education centres and TAFE institutes; enhanced and support the professional status of AEU members in public education through professional development and training and conferences, representation of members on professional bodies and to employers; made submissions and appeared before Commonwealth of Australia Parliamentary Committee and various federal Inquiries; protected and enhanced the industrial rights of AEU members with AEU Branches through industrial representation and negotiation of collective agreements; and campaigned and advocated for the protection and promotion of quality teaching and learning in public schools, early childhood and TAFE.

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 financial affairs of the AEU-Federal Office in future financial years.

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.

OPERATING REPORT (Continued)

Right of members to resign (Continued)

- (4) A notice of resignation from membership takes effect:-
 - (a) here 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."

Membership and employee numbers

The number of equivalent full time employees at 30 September 2011 was 20 (2010: 20)

The number of members at 30 September 2011 was 186,103 (2010: 184,685).

Superannuation trustees

To the best of the Federal Executive's belief and knowledge, no officer or member of the organisation, by virtue of their office or membership of the Australian Education Union is:

- (i) a trustee of a superannuation entity or exempt public sector superannuation scheme: or
- (ii) a director of a company that is a trustee of a superannuation entity or exempt public sector superannuation scheme: and
- (iii) where the criterion for the officer or member being a 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 Hoppood

Dated this 23rd day of February 2012

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	Note	2011 \$	2010 \$
Revenue from continuing operations	3	7,261,031	7,723,544
Expenses			
Administrative and other expenses		(624,751)	(570,429)
AEIC expenses		-	(223,937)
Affiliation fees		(953,002)	(917,790)
Australian educator		(554,952)	(550,730)
Campaign and project expenses		(261,387)	(1,929,391)
Employee related expenses		(2,338,294)	(2,131,492)
ITF allocation		(88,000)	(88,000)
Meeting and conference expenses		(414,490)	(430,206)
		<u>(5,234,876)</u>	<u>(6,841,975)</u>
Net surplus for the year		2,026,155	881,569
Other comprehensive income		-	-
Total comprehensive income for the year		<u>2,026,155</u>	<u>881,569</u>
Total comprehensive income for the year is attributable to:			
Members of the union		<u>2,026,155</u>	<u>881,569</u>

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

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

BALANCE SHEET
AS AT 30 SEPTEMBER 2011

	2011 \$	2010 \$
ASSETS		
Current assets		
Cash and cash equivalents	8,097,936	7,121,954
Trade and other receivables	<u>850,099</u>	<u>1,434,354</u>
Total current assets	<u>8,948,035</u>	<u>8,556,308</u>
Non-current assets		
Available-for-sale financial assets	3,488,077	3,147,832
Property, plant and equipment	<u>83,292</u>	<u>71,440</u>
Total non-current assets	<u>3,571,369</u>	<u>3,219,272</u>
Total assets	<u>12,519,404</u>	<u>11,775,580</u>
LIABILITIES		
Current liabilities		
Trade and other payables	498,474	2,107,926
Provisions	<u>1,570,907</u>	<u>1,258,303</u>
Total current liabilities	<u>2,069,381</u>	<u>3,366,229</u>
Total liabilities	<u>2,069,381</u>	<u>3,366,229</u>
Net assets	<u>10,450,023</u>	<u>8,409,351</u>
FUNDS		
Reserves	4,451,888	3,540,526
General fund	<u>5,998,135</u>	<u>4,868,825</u>
Total funds	<u>10,450,023</u>	<u>8,409,351</u>

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

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	General Fund \$	Reserves \$	Total \$
Balance at 1 October 2009	4,129,955	3,560,143	7,690,098
Total comprehensive income for the year	881,569	-	881,569
Revaluation of financial assets	-	(162,316)	(162,316)
Transfer from accumulated surplus	<u>(142,699)</u>	<u>142,699</u>	<u>-</u>
Balance at 30 September 2010	<u>4,868,825</u>	<u>3,540,526</u>	<u>8,409,351</u>
Balance at 1 October 2010	4,868,825	3,540,526	8,409,351
Total comprehensive income for the year	2,026,155	-	2,026,155
Revaluation of financial assets	-	14,517	14,517
Transfer from accumulated surplus	<u>(896,845)</u>	<u>896,845</u>	<u>-</u>
Balance at 30 September 2011	<u>5,998,135</u>	<u>4,451,888</u>	<u>10,450,023</u>

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

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

	2011 \$	2010 \$
Cash flows from operating activities		
Receipts of capitation fees and levies (inclusive of GST)	6,117,526	6,235,472
Receipts of campaign contributions from branches (inclusive of GST)	1,582,570	809,225
Sundry receipts	283,503	67,135
Payments to suppliers and employees (inclusive of GST)	(7,221,482)	(5,735,725)
Interest received	385,288	192,299
Net cash inflow from operating activities	<u>1,147,405</u>	<u>1,568,406</u>
Cash flows from investing activities		
Payment for investment	(325,728)	(31,926)
Payment for property, plant and equipment	(963)	(2,614)
Net cash (outflow) from investing activities	<u>(326,691)</u>	<u>(34,540)</u>
Cash flows from financing activities		
Loan received	169,929	-
Repayment of borrowing	(14,661)	(14,638)
Net cash inflow(outflow) from financing activities	<u>155,268</u>	<u>(14,638)</u>
Net increase in cash and cash equivalents	975,982	1,519,228
Cash and cash equivalents at beginning of financial year	7,121,954	5,602,726
Cash and cash equivalents at end of financial year	<u>8,097,936</u>	<u>7,121,954</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2011

1: Statement of significant accounting policies

(a) Basis of preparation

The concise financial reports have been prepared in accordance with the requirements of the Fair Work (Registered Organisations) Act 2009 and Accounting Standard AASB 1039 "Concise Financial Reports".

A full general purpose financial report has been prepared for the Australian Education Union - Federal Office (The AEU-Federal Office). The financial statements and specific disclosures included in the concise financial report have been derived from the general purpose financial report of the AEU-Federal Office. 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 the the AEU-Federal Office as the general purpose financial report of the the AEU-Federal Office.

(b) Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Fair Work (Registered Organisations) Act 2009.

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.

The accounting policies adopted have been consistently applied to all years presented, unless otherwise stated.

(c) Presentation currency

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

2: Information to be provided to members or General Manager of FWA

In accordance with the requirements of the Fair Work (Registered Organisations) Act 2009, 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 the General Manager of FWA, 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 2011

3: Revenue

	2011 \$	2010 \$
From continuing operations		
<i>Service revenue</i>		
Affiliation fees levy	943,740	889,987
Australian Educator	47,179	33,099
Campaign contributions from branches	554,055	542,331
Capitation fees	4,466,470	4,228,032
Library income	59,845	59,373
Publication levy	576,450	550,592
School funding review advertising contribution from branches	-	900,009
TAFE teacher	39,761	28,303
	<u>6,687,500</u>	<u>7,231,726</u>
<i>Other revenue</i>		
Interest	365,733	283,072
Rent	118,717	119,654
Other revenue	89,081	89,092
	<u>573,531</u>	<u>491,818</u>
	<u>7,261,031</u>	<u>7,723,544</u>

4: Events occurring after 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.

5: Contingencies

There are no known contingent assets or liabilities at 30 September 2011.

COMMITTEE OF MANAGEMENT STATEMENT

On 23rd February 2012 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 2011:

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 10 comply with Australian Accounting Standards and other mandatory professional reporting requirements
2. the financial statements and notes, as set out on pages 4 to 10 comply with the reporting guidelines of the General Manager of FWA;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the 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 2011
 - 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 the 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 the Australian Education Union - Federal Office have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - d. the financial records of the Australian Education Union - Federal Office have been kept, as far as practicable, in a consistent manner to each of the other reporting units of the union; and
 - e. the information sought in any request of a member of the Australian Education Union - Federal Office or the General Manager of FWA under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member or the General Manager of FWA; and
 - f. No orders have been made by the FWA under section 273 of the Fair Work (Registered Organisations) Act 2009 during the period.
6. There were no wage recovery activities undertaken during the year.

For the Committee of Management

Designated Officer 

Susan Hopgood

Dated this 23rd day of February 2012



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

Report on the financial report

The accompanying concise financial report of the Australian Education Union – Federal Office comprises the balance sheet as at 30 September 2011, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended and related notes, derived from the audited financial report of the Australian Education Union – Federal Office for the year ended 30 September 2011. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Committee of Management 's responsibility for the financial report

The Committee of Management is responsible for the preparation of the concise financial report in accordance with Australian Accounting Standards AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009 and for such internal control as the Committee of Management determine is necessary to enable the preparation of the concise financial report that is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Australian Education Union – Federal Office for the year ended 30 September 2011. Our audit report on the financial report for the year was signed on 23 February 2012 and was not subject to any modification. The 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, and examination on a test basis, of evidence supporting the amounts and other disclosures which were not directly derived from the financial report for the year. These procedures have been undertaken to form an opinion whether, in all material respects, the concise financial report complies with Accounting Standard AASB 1039 *Concise Financial Reports*.

Our audit did not involve an analysis of the prudence of business decisions made by the Committee of Management.

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





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

Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

Opinion

In our opinion, the concise financial report of the Australian Education Union – Federal Office for the year ended 30 September 2011 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009.

BGL & Associates
Chartered Accountants

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

Member of The Institute of Chartered Accountants in Australia and
holder of current Public Practice Certificate

23 February 2012
Melbourne



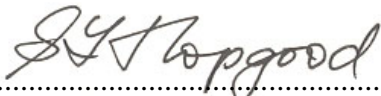
SECRETARY'S CERTIFICATE

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

1. I am an Officer authorised by the AEU Rules to lodge these documents.
2. The Federal Executive of the AEU held a meeting in accordance with the rules on 23 February 2012 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 Fair Work(RO) Act 2009, 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 2011, 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 the national magazine of the Union, the *Australian Educator* as well as AEU Branch Journals.
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 29 March 2012.



.....
SUSAN LOUISE HOPGOOD

2 April 2012