



FAIR WORK
COMMISSION

23 September 2013

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

Dear Ms Hopgood,

**Re: Lodgement of Financial Statements and Accounts - Australian Education Union,
Federal Office - for year ended 30 September 2012 (FR2012/501)**

I refer to the above financial statements and accounts which were lodged with the Fair Work Commission on 4 April 2013.

I note the concise report was authorised for issue to the members on 21 February 2013. I have been advised it was made available on the AEU website at that time, and the Autumn edition of the national magazine issued on 14-15 February 2013. I attach a form of Secretary's Certificate (modelled on the Certificate lodged) that, by specifying the date on and/or from which a copy of the report is issued for members (see highlighted), will express more clearly compliance with the 5 month time frame ordinarily prescribed for provision to the members by subsection 265(5) of the *Fair Work (Registered Organisations) Act 2009*.

The documents have been filed.

Yours sincerely

Stephen Kellett
Senior Adviser, Regulatory Compliance Branch

From: KELLETT, Stephen
To: ["SGraziano@aeufederal.org.au"](mailto:SGraziano@aeufederal.org.au)
Cc: ["tfreeman@aeufederal.org.au"](mailto:tfreeman@aeufederal.org.au)
Subject: Attention Ms Susan Hopgood - Financial report y/e 30 Sept 2012 - Financial report period Oct-Dec 2012 - filing
Date: Monday, 23 September 2013 2:38:00 PM
Attachments: [AEU FR2012 501 \(final\) 23092013.pdf](#)
[AEU FR2013 391 \(final\) 23092013.pdf](#)
[Secretary Certificate \(sample\).doc](#)

Dear Mr Graziano

Please see attached my letters to Ms Hopgood in relation to the above reports, and attachment.

Yours sincerely

STEPHEN KELLETT
Regulatory Compliance Branch
FAIR WORK COMMISSION

80 William Street
EAST SYDNEY NSW 2011

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From: [Orgs](#)
To: [KELLETT, Stephen](#)
Subject: FW: SYDNEY FR2012/501 + FR2013/391 Financial Documents for the Australian Education Union for 2012
Date: Monday, 23 September 2013 9:58:37 AM
Attachments: [Financial year ending September 2012.pdf](#)
[Financial period ending December 31 2012.pdf](#)
Importance: High

From: Sam Graziano [mailto:SGraziano@aeufederal.org.au] **On Behalf Of** Susan Hopgood
Sent: Thursday, 4 April 2013 2:31 PM
To: Orgs
Cc: Susan Hopgood; Darcel Russell
Subject: SYDNEY FR2012/501 + FR2012/616 Financial Documents for the Australian Education Union for 2012
Importance: High

Ms Bernadette O'Neill
General Manager
Fair Work Australia

Dear Ms O'Neill

Attached please find 2 sets of financial documents from Susan Hopgood, Federal Secretary, Australian Education Union as follows:

- For the year ended 30 September 2012
- For the period 1st October to 31 December 2012

Yours sincerely
Sam Graziano
(on behalf of Susan Hopgood, Federal Secretary)

Sam Graziano
Australian Education Union
120 Clarendon Street
Southbank 3006
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Australian Education Union

Federal Office

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Ref.: 031.001.001

4 April 2013

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 2012**

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 2012;
- (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 28 March 2013.

Yours sincerely,

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

Susan Hopgood
Federal Secretary

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

**ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2012**



Australian Education Union

Federal Office:

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

Federal Secretary: Susan Hoppood

Federal President: Angelo Gavrielatos

Telephone: 61 3 9693 1800

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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 21st day of February 2013.

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 2012.

Members of executive

The Federal Executive is elected for a two-year term commencing on 1 March and ending two years later at the end of February. The current financial year encompasses 2 election terms as follows:

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:

Federal Executives to 29 February 2012

Name	Position	Name	Position
Mary Bluett	Deputy Federal President	Julie Brown	General Division
Carolyn Clancy	General Division	Allan Cook	General Division
Matthew Cranitch	General Division	Peter de Graaff	TAFE Division
Jenny Diamond	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 (retired Nov 2011)	Federal TAFE President
Darcel Russell	Deputy Federal Secretary	Michelle Purdy (elected 11 Jan 2012)	Federal TAFE President
Howard Spreadbury	Early Childhood Representative	Lynette Winch	National Principals Committee Representative
Leanne Wright	General Division		

Federal Executive from 1 March 2012

Name	Position	Name	Position
Mary Bluett	Deputy Federal President	Kevin Bates **	General Division
Julie Brown	General Division	Carolyn Clancy	General Division
Matthew Cranitch	General Division	Jenny Diamond **	General Division
Charline Emzin-Boyd	Aboriginal & Torres Strait Islander Representative	Glenn Fowler (from 17 Dec 2012) **	General Division
Angelo Gavrielatos **	Federal President		
Penny Gilmour (resigned 30 Sept 2012)	General Division	Anne Gisborne **	General Division
Correna Haythorpe **	General Division	Brian Henderson **	General Division
Susan Hopgood **	Federal Secretary	Joan Lemaire	General Division
Maurie Mulheron	General Division	Meredith Peace	General Division
Sam Pidgeon	General Division	Terry Polglase	General Division
Michelle Purdy	Federal TAFE President	Darcel Russell **	Deputy Federal Secretary
Howard Spreadbury	Early Childhood Representative	Lynette Winch	Principals Representative
Gary Zadkovich	General Division	** members of Finance Committee	

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

OPERATING REPORT (Continued)

Significant changes in state of financial affairs

No significant changes in the state of financial 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.

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

After the financial year end, the union changed its financial year end to 31 December. No other 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.

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) 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."

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

OPERATING REPORT (Continued)

Membership and employee numbers

The number of equivalent full time employees at 30 September 2012 was 19 (2011: 20)

The number of members at 30 September 2012 was 189,481 (2011: 186,103).

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 – Federal Secretary

Dated this 21st day of February 2013

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Notes	2012 \$	2011 \$
Revenue from continuing operations	4	8,909,258	7,261,031
Expenses			
Administrative and other expenses	6	(555,644)	(627,751)
Affiliation fees and levies	7	(1,348,581)	(953,002)
Australian educator		(567,065)	(554,952)
Campaign and project expenses	8	(2,967,993)	(258,387)
Employee related expenses	9	(2,609,780)	(2,338,294)
ITF allocation		(88,000)	(88,000)
Meeting and conference expenses	10	(464,711)	(414,490)
		<u>(8,601,774)</u>	<u>(5,234,876)</u>
Surplus for the year		<u>307,484</u>	<u>2,026,155</u>
Surplus attributable to the members		307,484	2,026,155
Other comprehensive (expense) income			
Changes in reserves		(622,220)	911,362
Total comprehensive (expense) income for the year attributable to the members		<u>(314,736)</u>	<u>2,937,517</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 2012

	Notes	2012 \$	2011 \$
ASSETS			
Current assets			
Cash and cash equivalents	11	8,227,987	8,097,936
Trade and other receivables	12	<u>1,522,343</u>	<u>850,099</u>
Total current assets		<u>9,750,330</u>	<u>8,948,035</u>
Non-current assets			
Available-for-sale financial assets	13	3,488,077	3,488,077
Property, plant and equipment	14	<u>43,481</u>	<u>83,292</u>
Total non-current assets		<u>3,531,558</u>	<u>3,571,369</u>
Total assets		<u>13,281,888</u>	<u>12,519,404</u>
LIABILITIES			
Current liabilities			
Trade and other payables	15	799,994	498,474
Provisions	16	<u>1,724,387</u>	<u>1,570,907</u>
Total current liabilities		<u>2,524,381</u>	<u>2,069,381</u>
Total liabilities		<u>2,524,381</u>	<u>2,069,381</u>
Net assets		<u>10,757,507</u>	<u>10,450,023</u>
FUNDS			
Reserves	17	3,829,668	4,451,888
General fund	18	<u>6,927,839</u>	<u>5,998,135</u>
Total funds		<u>10,757,507</u>	<u>10,450,023</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 2012

	General Fund \$	Reserves \$	Total \$
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>
Balance at 1 October 2011	5,998,135	4,451,888	10,450,023
Total comprehensive income for the year	307,484	-	307,484
Revaluation of financial assets	-	-	-
Transfer from general fund	<u>622,220</u>	<u>(622,220)</u>	<u>-</u>
Balance at 30 September 2012	<u>6,927,839</u>	<u>3,829,668</u>	<u>10,757,507</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 2012

	Notes	2012 \$	2011 \$
Cash flows from operating activities			
Receipts of capitation fees and levies (inclusive of GST)	23(a)	6,681,687	6,117,526
Receipts of campaign contributions from branches (inclusive of GST)	23(b)	1,880,991	1,582,570
Grant received		110,000	-
Sundry receipts		243,004	283,503
Payments to suppliers and employees (inclusive of GST)		(9,099,706)	(7,221,482)
Interest received		424,140	385,288
Net cash inflow from operating activities	23(c)	<u>240,116</u>	<u>1,147,405</u>
Cash flows from investing activities			
Payment for investment		-	(325,728)
Payment for property, plant and equipment		(8,842)	(963)
Net cash (outflow) from investing activities		<u>(8,842)</u>	<u>(326,691)</u>
Cash flows from financing activities			
Loan received		-	169,929
Repayment of borrowing		(101,223)	(14,661)
Net cash (outflow) inflow from financing activities		<u>(101,223)</u>	<u>155,268</u>
Net increase in cash and cash equivalents		130,051	975,982
Cash and cash equivalents at beginning of financial year		<u>8,097,936</u>	<u>7,121,954</u>
Cash and cash equivalents at end of financial year	12(a)	<u>8,227,987</u>	<u>8,097,936</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 2012

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 and Interpretations issued by the Australian Accounting Standards Board and the requirements of the Fair Work (Registered Organisations) Act 2009. The Australian Education Union - Federal Office is a not-for-profit entity for the purpose of preparing the financial statements.

Compliance with Australian Accounting Standards – Reduced Disclosure Requirements

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

New and amended standards adopted by the AEU-Federal Office

None of the new standards and amendments to standards that are mandatory for the first time for the financial year beginning 1 October 2011 affected any of the amounts recognised in the current period or any prior period and are not likely to affect future periods. However, the adoption of the revised AASB 124 *Related Party Disclosures* resulted in the disclosure of additional related party transactions and required the restatement of some comparative information in note 22, and the adoption of AASB 1054 *Australian Additional Disclosures* and AASB 2011-1 *Amendments to Australian Accounting Standards arising from the Trans-Tasman Convergence Project* enabled the removal of certain disclosures in relation to commitments and the franking of dividends.

Early adoption of standards

The AEU-Federal Office has not elected to apply any pronouncements before their operative date in the annual reporting period beginning 1 October 2011.

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 2012

1: Summary of significant accounting policies (Continued)

(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 2012

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 2012

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 2012

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 2012

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 2012

3: Information to be provided to members or General Manager of Fair Work Commission

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 Fair Work Commission, 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	2012 \$	2011 \$
From continuing operations			
<i>Service revenue</i>			
Affiliation fees & other levies	a	1,153,838	943,740
Australian Educator		58,637	47,179
Campaign contributions from branches	b	1,758,310	554,055
Capitation fees	c	4,652,268	4,466,470
Library income		64,648	59,845
Publication levy	d	599,527	576,450
TAFE teacher		19,040	39,761
		<u>8,306,268</u>	<u>6,687,500</u>
<i>Other revenue</i>			
Interest		375,222	365,733
Rent		123,469	118,717
Other revenue		104,299	89,081
		<u>602,990</u>	<u>573,531</u>
		<u>8,909,258</u>	<u>7,261,031</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

4: Revenue (Continued)

(a) Affiliation fees & other levies

	2012	2011
	\$	\$
ACT Branch	19,431	15,826
NSW Branch	377,964	314,377
NT Branch	12,096	10,495
QLD Branch	245,303	201,481
SA Branch	84,388	68,576
TAS Branch	38,899	31,702
VIC Branch	287,116	229,052
SSTUWA for the WA Branch	88,641	72,231
	<u>1,153,838</u>	<u>943,740</u>

The affiliation fees & other levies income represents the reimbursement from branches for the ACTU affiliation fees and levies paid by the Federal Office.

(b) Campaign contributions from branches

	2012	2011
	\$	\$
ACT Branch	29,670	9,291
NSW Branch	566,021	184,566
NT Branch	18,925	6,162
QLD Branch	387,731	118,287
SA Branch	130,472	40,260
TAS Branch	59,400	18,612
VIC Branch	430,901	134,472
SSTUWA for the WA Branch	135,190	42,405
	<u>1,758,310</u>	<u>554,055</u>

The campaign contribution from branches represents the contributions from branches in relation to NPEC TV advertisements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

4: Revenue (Continued)

(c) Capitation fees

	2012	2011
	\$	\$
ACT Branch	78,264	75,312
NSW Branch	1,530,222	1,496,937
NT Branch	49,493	49,915
QLD Branch	990,073	965,947
SA Branch	339,718	326,698
TAS Branch	156,704	146,220
VIC Branch	1,150,717	1,062,835
SSTUWA for the WA Branch	357,077	342,606
	<u>4,652,268</u>	<u>4,466,470</u>

(d) Publication levy

	2012	2011
	\$	\$
ACT Branch	10,086	9,720
NSW Branch	197,197	193,198
NT Branch	6,379	6,442
QLD Branch	127,589	124,668
SA Branch	43,778	42,164
TAS Branch	20,195	18,871
VIC Branch	148,289	137,170
SSTUWA for the WA Branch	46,014	44,217
	<u>599,527</u>	<u>576,450</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

5: Expenses

	2012 \$	2011 \$
The surplus for the year includes the following specific expenses:		
<i>Depreciation of non-current assets</i>		
Office equipment	11,652	10,120
Furniture, fixtures and fittings	4,979	6,841
	<u>16,631</u>	<u>16,961</u>
<i>Finance costs</i>		
Interest paid	-	12,004
<i>Bad and doubtful debts</i>		
Trade receivables	2,218	-
<i>Sponsorship & Donations (total of individual amounts more than \$1,000)</i>	7,000	21,882
<i>Loss on disposals of fixed assets</i>	674	11,300

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	26,250
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6: Administration and other expenses

	2012 \$	2011 \$
Legal fees	60,204	74,124
Overseas travel allowances	2,044	4,020
Donations (>\$1,000 each)	7,000	21,882
Donations (<\$1,000 each)	2,184	704
Other expenses	484,212	527,021
	<u>555,644</u>	<u>627,751</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

7: Affiliation fees & levies

	2012 \$	2011 \$
ACTU	614,140	581,758
ACTU IR levy	372,206	-
EI	351,979	361,983
ACOSS	1,091	1,091
APHEDA	3,327	3,327
Australian Institute Employment Right	3,000	3,000
Others	2,838	1,843
	<u>1,348,581</u>	<u>953,002</u>

8: Campaign and project expenses

	2012 \$	2011 \$
Public education campaigns	2,900,427	207,210
Research project and other campaigns	67,566	51,177
	<u>2,967,993</u>	<u>258,387</u>

9: Employee related expenses

	2012 \$	2011 \$
Wages and salaries – staff	703,756	587,409
Wages and salaries – holders of office	1,198,890	989,231
Superannuation – staff	115,584	109,158
Superannuation – holders of office	293,955	210,795
Movement in long service leave provision - staff	21,283	50,288
Movement in long service leave provision – holders of office	64,319	69,463
Movement in annual leave provision - staff	10,672	13,605
Movement in annual leave provision – holders of office	57,206	143,032
Professional development	4,633	9,389
Other employee expenses	139,482	155,924
	<u>2,609,780</u>	<u>2,338,294</u>

10: Meeting and conference expenses

	2012 \$	2011 \$
Meeting allowances	138,012	133,042
Other meeting expenses	326,699	281,448
	<u>464,711</u>	<u>414,490</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2012

11: Current assets – Cash and cash equivalents

	2012 \$	2011 \$
Cash on hand	3,395	2,779
Cash at bank	2,327,009	2,549,702
Deposits at call	5,897,583	5,545,455
	<u>8,227,987</u>	<u>8,097,936</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>8,227,987</u>	<u>8,097,936</u>
Balances per statement of cash flows	<u>8,227,987</u>	<u>8,097,936</u>

12: Current assets – Trade and other receivables

	2012 \$	2011 \$
<i>Branch Receivables:</i>		
ACT Branch	7,756	2,555
NSW Branch	763,366	518,554
NT Branch	4,946	1,695
QLD Branch	76,163	32,529
SA Branch	25,163	11,071
TAS Branch	13,667	5,118
VIC Branch	134,325	37,020
SSTUWA for the WA Branch	27,522	11,661
	<u>1,052,908</u>	<u>620,203</u>
Prepayments	97,607	105,768
Other receivables	371,828	124,128
	<u>1,522,343</u>	<u>850,099</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 2012

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

	2012 \$	2011 \$
Unlisted investments in unit trusts	<u>3,488,077</u>	<u>3,488,077</u>

These financial assets are carried at fair value.

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

Opening balance	3,488,077	3,147,832
Additions	-	325,728
Increase in investment revaluation reserve	-	14,517
Closing balance	<u>3,488,077</u>	<u>3,488,077</u>

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

	2012 \$	2011 \$
Plant and equipment		
Office equipment		
At cost	74,646	98,469
Less accumulated depreciation	<u>(49,569)</u>	<u>(37,918)</u>
	<u>25,077</u>	<u>60,551</u>
Furniture, fixtures and fittings		
At cost	51,103	70,498
Less accumulated depreciation	<u>(32,699)</u>	<u>(47,757)</u>
	<u>18,404</u>	<u>22,741</u>
Total property, plant and equipment	<u>43,481</u>	<u>83,292</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 2012

14: 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:

	Office equipment	Furniture, fittings and fixtures	Total
	\$	\$	\$
2011			
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>
2012			
Opening net book amount	60,551	22,741	83,292
Additions	7,526	1,316	8,842
Disposals	(31,348)	(674)	(32,022)
Depreciation	(11,652)	(4,979)	(16,631)
Closing net book amount	<u>25,077</u>	<u>18,404</u>	<u>43,481</u>

15: Current liabilities – Trade and other payables

	2012 \$	2011 \$
<i>Unsecured:</i>		
Due to the FEU Unit trust	33,102	56,838
Trade creditors	473,932	288,701
Funding in advance	100,000	-
Other payables and accruals	192,960	152,935
	<u>799,994</u>	<u>498,474</u>

16: Current liabilities – Provisions

	2012 \$	2011 \$
Employee benefits - staff	473,912	441,957
Employee benefits – holders of office	1,183,600	1,062,075
Other provisions	66,875	66,875
	<u>1,724,387</u>	<u>1,570,907</u>

NOTES TO THE FINANCIAL STATEMENTS
 FOR THE YEAR ENDED 30 SEPTEMBER 2012

16: Current liabilities – Provisions (Continued)

(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 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	1,504,032	66,875	1,570,907
Charged to income statement	<u>153,480</u>	<u>-</u>	<u>153,480</u>
Balance at 30 September 2012	<u>1,657,512</u>	<u>66,875</u>	<u>1,724,387</u>

17: Reserves

		2012	2011
		\$	\$
Public education campaign reserve	(a)	1,727,418	2,269,535
Workers rights campaign reserve	(b)	273,352	409,455
Available for sale investments revaluation reserve	(c)	1,714,698	1,714,698
Allocated funds reserve	(d)	<u>114,200</u>	<u>58,200</u>
		<u>3,829,668</u>	<u>4,451,888</u>

(a) Public education campaign reserve

	2012	2011
	\$	\$
Movements during the financial year:		
<i>Opening balance</i>	2,269,535	1,422,690
Funds received (note 4)	1,758,310	554,055
Funds allocated	<u>600,000</u>	<u>500,000</u>
	2,358,310	1,054,055
Funds spent (note 8)	<u>(2,900,427)</u>	<u>(207,210)</u>
Funds transferred	<u>(542,117)</u>	<u>846,845</u>
<i>Closing balance</i>	<u>1,727,418</u>	<u>2,269,535</u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

17: Reserves (Continued)

(b) Workers rights campaign reserve

	2012	2011
	\$	\$
Movements during the financial year:		
<i>Opening balance</i>	409,455	359,455
Funds received	186,103	-
Funds allocated	50,000	50,000
	236,103	50,000
Funds spent (note 7)	(372,206)	-
Funds transferred	(136,103)	50,000
<i>Closing balance</i>	273,352	409,455

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

	2012	2011
	\$	\$
<i>Movements during the financial year:</i>		
Opening balance	1,714,698	1,700,181
Revaluation	-	14,517
Closing balance	1,714,698	1,714,698

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

	2012	2011
	\$	\$
Movements during the financial year:		
<i>Opening balance</i>	58,200	58,200
Funds allocated		
- Equipment upgrade	56,000	-
Funds transferred	56,000	-
<i>Closing balance</i>	114,200	58,200

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 2012

18: General funds

	2012	2011
	\$	\$
<i>Movements in the general funds were as follows:</i>		
Balance 1 October	5,998,135	4,868,825
Net surplus for the year	307,484	2,026,155
Transfer to reserves	<u>622,220</u>	<u>(896,845)</u>
Balance 30 September	<u>6,927,839</u>	<u>5,998,135</u>

19: Contingencies

Details of contingent liabilities where the probability of future payments is not considered remote are set out below. Provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	2012	2011
	\$	\$
Bank autopay facility	<u>30,000</u>	<u>30,000</u>

There are no other known contingent assets or liabilities at 30 September 2012.

20: Commitments

	2012	2011
	\$	\$
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	36,696	39,494
Later than one year but no later than five years	<u>146,784</u>	<u>39,495</u>
	<u>183,480</u>	<u>78,989</u>

General description of leasing arrangement:

Leases are for photocopiers and postage meters.

21: Events occurring after reporting date

After the financial year end, the union changed its financial year end to 31 December. No other 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 2012

22: Related party transactions

(a) Key management personnel

Members of Executive

(i) The Federal Executive is elected for a two-year term commencing on 1 March and ending two years later at the end of February. The current financial year encompasses 2 election terms as follows. The names of the Federal Executive in office at any time during or since the end of the financial year are:

Federal Executives to 29 February 2012

Name	Position	Name	Position
Mary Bluett	Deputy Federal President	Julie Brown	General Division
Carolyn Clancy	General Division	Allan Cook	General Division
Matthew Cranitch	General Division	Peter de Graaff	TAFE Division
Jenny Diamond	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 (retired Nov 2011)	Federal TAFE President
Darcel Russell	Deputy Federal Secretary	Michelle Purdy (elected 11 Jan 2012)	Federal TAFE President
Howard Spreadbury	Early Childhood Representative	Lynette Winch	National Principals Committee Representative
Leanne Wright	General Division		

Federal Executive from 1 March 2012

Name	Position	Name	Position
Mary Bluett	Deputy Federal President	Kevin Bates **	General Division
Julie Brown	General Division	Carolyn Clancy	General Division
Matthew Cranitch	General Division	Jenny Diamond **	General Division
Charline Emzin-Boyd	Aboriginal & Torres Strait Islander Representative	Glenn Fowler (from 17 Dec 2012) **	General Division
Angelo Gavrielatos **	Federal President		
Penny Gilmour (resigned 30 Sept 2012)	General Division	Anne Gisborne **	General Division
Correna Haythorpe **	General Division	Brian Henderson **	General Division
Susan Hopgood **	Federal Secretary	Joan Lemaire	General Division
Maurie Mulheron	General Division	Meredith Peace	General Division
Sam Pidgeon	General Division	Terry Polglase	General Division
Michelle Purdy	Federal TAFE President	Darcel Russell **	Deputy Federal Secretary
Howard Spreadbury	Early Childhood Representative	Lynette Winch	Principals Representative
Gary Zadkovich	General Division	** members of Finance Committee	

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2012

22: Related party transactions (Continued)

(a) Key management personnel (Continued)

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

Catherine Davis	Susan Hopgood
Jenni Devereaux	Peter Job (til 1 Feb 2012)
Catherine Scott (1 Feb 2012 to 17 Sept 2012)	Pat Forward
David Colley	Darcel Russell

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

	2012	2011
	\$	\$
Short term benefits	<u>1,614,370</u>	<u>1,412,521</u>

(b) Transactions with related parties

Sales of goods and services:

Capitation fees and levies received

Some capitation fee and levies are paid by associated entities of the affiliated branches as allowed by rule 11(7).

Administration fees received

From the Australian Education Union International Trust Fund	50,000	50,000
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Rent received

From the Federation of Education Unions Unit trust	123,469	118,717
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Purchases of goods and services:

Outgoings paid

To the Federation of Education Unions Unit trust	124,020	92,172
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Superannuation contributions

Defined contribution superannuation contributions on behalf of employees	409,539	319,953
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(c) 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 2012

23: Cash flow information

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

	2012	2011
	\$	\$
ACT Branch	118,559	110,944
NSW Branch	2,070,647	1,737,165
NT Branch	72,619	73,537
QLD Branch	1,455,741	1,421,306
SA Branch	514,672	481,182
TAS Branch	230,477	216,472
VIC Branch	1,693,793	1,571,962
SSTUWA for the WA Branch	525,179	504,958
	<u>6,681,687</u>	<u>6,117,526</u>

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

	2012	2011
	\$	\$
ACT Branch	30,021	10,596
NSW Branch	623,085	524,367
NT Branch	20,903	19,364
QLD Branch	426,392	354,295
SA Branch	132,133	118,923
TAS Branch	65,282	53,728
VIC Branch	434,601	378,165
SSTUWA for the WA Branch	148,574	123,132
	<u>1,880,991</u>	<u>1,582,570</u>

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

	2012	2011
	\$	\$
Surplus for the year	307,484	2,026,155
<i>Non-cash flows in surplus</i>		
Depreciation	16,631	16,961
Bad debts	2,218	-
Loss on disposal of assets	674	11,300
<i>Changes in assets and liabilities</i>		
(Increase) Decrease in trade and other receivables	(728,841)	502,987
Increase (Decrease) in payables	488,470	(1,722,602)
Increase in provisions	153,480	312,604
Cash flows from operations	<u>240,116</u>	<u>1,147,405</u>

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

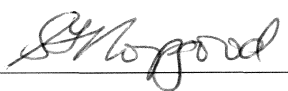
COMMITTEE OF MANAGEMENT STATEMENT

On 21st February 2013, 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 2012:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
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 period 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 period to which the GPFR relates and since the end of that year:
 - 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 branches concerned; and
 - c. the financial records of the Australian Education Union - Federal Office have been kept and maintained in accordance with the RO Act; 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 organisation; and
 - e. information has been furnished to any member of the Australian Education Union - Federal Office or to the General Manager of Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made under section 272 of the RO Act; and
 - f. No order for inspection of financial record has been made by the Fair Work Commission under section 273 of the RO Act during the period.
6. The reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

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

Designated Officer 
Susan Hopgood – Federal Secretary

Dated this 21st February 2013



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

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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 2012, 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

21February 2013
Melbourne



AUSTRALIAN EDUCATION UNION – FEDERAL OFFICE
ABN 16 006 296 647

ANNUAL CONCISE FINANCIAL REPORT
FOR THE YEAR ENDED 30 SEPTEMBER 2012



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

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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 2012. 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 21st of February 2013 that this concise report be provided in accordance with s265 (2) of the Fair Work (Registered Organisations) Act 2009.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

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 2012 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 2012 financial report of the Australian Education Union - Federal Office.

Statement of Comprehensive Income

The surplus attributable to members for the year was \$307,484 compared with a \$2,026,155 surplus last year. This was despite income increasing from \$ 7,261,031 in 2011 to \$ 8,909,258 in 2012 as expenses increased from \$ 5,234,876 in 2011 to \$ 8,601,774 in 2012.

Income:

The income received from capitation fees increased by \$185,798 which resulted from an increase of membership of the AEU and an increase in the capitation rate. However, the overall revenue increase of \$1,648,227 in 2012 was mainly due to the 2012 branches contribution to advertising relating to the national public education campaign which raised \$1.2 million in 2012.

Expenses:

This increase in the branches contribution was mirrored by an increase in the campaign and project expenses which increased from \$258,387 in 2011 to \$2,967,993 in 2012.

Balance Sheet

Total assets increased by 6% or \$743,824 from \$12,519,404 in 2011 to \$13,336,267 this year mainly due to an increase in cash on hand and the receivables at the year end. Total liabilities increased by \$509,379 or 24% from \$2,069,381 in 2011 to \$2,578,760 in 2012. The net result was an overall increase in members' funds of \$307,484. Campaign Funds, specifically for the AEU National Public Education Campaigns and equipment upgrade have been set aside in a reserve fund for the activities which will be held in 2013.

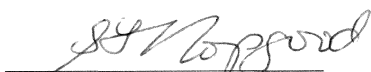
Statement of Cash Flows

Net cash flows from operations decreased by \$ 907,289 from \$1,147,405 in 2011 to \$ 240,116 in 2012. The result was due to increase of payments to suppliers and employees.

Overall cash balances increased by \$130,051 from last year, with cash on hand and at banks at 30 September 2012 being \$ 8,227,987(2011: \$8,097,936).

Signed in accordance with a resolution of the Committee of Management

Designated Officer



Susan Hopgood – Federal Secretary

Dated this 21st day of February 2013

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 2012.

Members of executive

The Federal Executive is elected for a two-year term commencing on 1 March and ending two years later at the end of February. The current financial year encompasses 2 election terms as follows:

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:

Federal Executives to 29 February 2012

Name	Position	Name	Position
Mary Bluett	Deputy Federal President	Julie Brown	General Division
Carolyn Clancy	General Division	Allan Cook	General Division
Matthew Cranitch	General Division	Peter de Graaff	TAFE Division
Jenny Diamond	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 (retired Nov 2011)	Federal TAFE President
Darcel Russell	Deputy Federal Secretary	Michelle Purdy (elected 11 Jan 2012)	Federal TAFE President
Howard Spreadbury	Early Childhood Representative	Lynette Winch	National Principals Committee Representative
Leanne Wright	General Division		

Federal Executive from 1 March 2012

Name	Position	Name	Position
Mary Bluett	Deputy Federal President	Kevin Bates **	General Division
Julie Brown	General Division	Carolyn Clancy	General Division
Matthew Cranitch	General Division	Jenny Diamond **	General Division
Charline Emzin-Boyd	Aboriginal & Torres Strait Islander Representative	Glenn Fowler (from 17 Dec 2012) **	General Division
Angelo Gavrielatos **	Federal President		
Penny Gilmour (resigned 30 Sept 2012)	General Division	Anne Gisborne **	General Division
Correna Haythorpe **	General Division	Brian Henderson **	General Division
Susan Hopgood **	Federal Secretary	Joan Lemaire	General Division
Maurie Mulheron	General Division	Meredith Peace	General Division
Sam Pidgeon	General Division	Terry Polglase	General Division
Michelle Purdy	Federal TAFE President	Darcel Russell **	Deputy Federal Secretary
Howard Spreadbury	Early Childhood Representative	Lynette Winch	Principals Representative
Gary Zadkovich	General Division	** members of Finance Committee	

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

OPERATING REPORT (Continued)

Significant changes in state of financial affairs

No significant changes in the state of financial 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.

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

After the financial year end, the union changed its financial year end to 31 December. No other 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.

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) 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."

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

OPERATING REPORT (Continued)

Membership and employee numbers

The number of equivalent full time employees at 30 September 2012 was 19 (2011: 20)


The number of members at 30 September 2012 was 189,481 (2011: 186,103).

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 – Federal Secretary

Dated this 21st day of February 2013

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
ABN 16 006 296 647

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 SEPTEMBER 2012

	Note	2012 \$	2011 \$
Revenue from continuing operations	3	8,909,258	7,261,031
Expenses			
Administrative and other expenses		(555,644)	(627,751)
Affiliation fees and levies		(1,348,581)	(953,002)
Australian educator		(567,065)	(554,952)
Campaign and project expenses		(2,967,993)	(258,387)
Employee related expenses		(2,609,780)	(2,338,294)
ITF allocation		(88,000)	(88,000)
Meeting and conference expenses		(464,711)	(414,490)
		<u>(8,601,774)</u>	<u>(5,234,876)</u>
Surplus for the year		<u>307,484</u>	<u>2,026,155</u>
Surplus attributable to the members		307,484	2,026,155
Other comprehensive (expense) income			
Changes in reserves		(622,220)	911,362
Total comprehensive (expense) income for the year attributable to the members		<u>(314,736)</u>	<u>2,937,517</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 2012

	2012	2011
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	8,227,987	8,097,936
Trade and other receivables	1,522,343	850,099
Total current assets	<u>9,750,330</u>	<u>8,948,035</u>
Non-current assets		
Available-for-sale financial assets	3,488,077	3,488,077
Property, plant and equipment	43,481	83,292
Total non-current assets	<u>3,531,558</u>	<u>3,571,369</u>
Total assets	<u>13,281,888</u>	<u>12,519,404</u>
LIABILITIES		
Current liabilities		
Trade and other payables	799,994	498,474
Provisions	1,724,387	1,570,907
Total current liabilities	<u>2,524,381</u>	<u>2,069,381</u>
Total liabilities	<u>2,524,381</u>	<u>2,069,381</u>
Net assets	<u>10,757,507</u>	<u>10,450,023</u>
FUNDS		
Reserves	3,829,668	4,451,888
General fund	6,927,839	5,998,135
Total funds	<u>10,757,507</u>	<u>10,450,023</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 2012

	General Fund \$	Reserves \$	Total \$
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	(896,845)	896,845	-
Balance at 30 September 2011	<u>5,998,135</u>	<u>4,451,888</u>	<u>10,450,023</u>
Balance at 1 October 2011	5,998,135	4,451,888	10,450,023
Total comprehensive income for the year	307,484	-	307,484
Revaluation of financial assets	-	-	-
Transfer from general fund	622,220	(622,220)	-
Balance at 30 September 2012	<u>6,927,839</u>	<u>3,829,668</u>	<u>10,757,507</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 2012

	2012 \$	2011 \$
Cash flows from operating activities		
Receipts of capitation fees and levies (inclusive of GST)	6,681,687	6,117,526
Receipts of campaign contributions from branches (inclusive of GST)	1,880,991	1,582,570
Grant received	110,000	-
Sundry receipts	243,004	283,503
Payments to suppliers and employees (inclusive of GST)	(9,099,706)	(7,221,482)
Interest received	424,140	385,288
Net cash inflow from operating activities	<u>240,116</u>	<u>1,147,405</u>
Cash flows from investing activities		
Payment for investment	-	(325,728)
Payment for property, plant and equipment	(8,842)	(963)
Net cash (outflow) from investing activities	<u>(8,842)</u>	<u>(326,691)</u>
Cash flows from financing activities		
Loan received	-	169,929
Repayment of borrowing	(101,233)	(14,661)
Net cash inflow(outflow) from financing activities	<u>(101,233)</u>	<u>155,268</u>
Net increase in cash and cash equivalents	130,051	975,982
Cash and cash equivalents at beginning of financial year	<u>8,097,936</u>	<u>7,121,954</u>
Cash and cash equivalents at end of financial year	<u>8,227,987</u>	<u>8,097,936</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 2012

1: Summary 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 Fair Work Commission

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 Fair Work Commission, 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 2012

3: Revenue

	2012	2011
	\$	\$
From continuing operations		
<i>Service revenue</i>		
Affiliation fees and other levies	1,153,838	943,740
Australian Educator	58,637	47,179
Campaign contributions from branches	1,758,310	554,055
Capitation fees	4,652,268	4,466,470
Library income	64,648	59,845
Publication levy	599,527	576,450
TAFE teacher	19,040	39,761
	<u>8,306,268</u>	<u>6,687,500</u>
<i>Other revenue</i>		
Interest	375,222	365,733
Rent	123,469	118,717
Other revenue	104,299	89,081
	<u>602,990</u>	<u>573,531</u>
	<u>8,909,258</u>	<u>7,261,031</u>

4: Events occurring after reporting date

After the financial year end, the union changed its financial year end to 31 December. No other 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

Details of contingent liabilities where the probability of future payments is not considered remote are set out below. Provisions are not required in respect of these matters, as it is not probable that a future sacrifice of economic benefits will be required or the amount is not capable of reliable measurement.

	2012	2011
	\$	\$
Bank autopay facility	<u>30,000</u>	<u>30,000</u>

There are no other known contingent assets or liabilities at 30 September 2012.

AUSTRALIAN EDUCATION UNION - FEDERAL OFFICE
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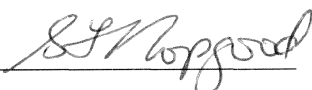
COMMITTEE OF MANAGEMENT STATEMENT

On 21st February 2013 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 2012:

The Committee of Management declares that in its opinion;

1. the financial statements and notes comply with Australian Accounting Standards;
2. the financial statements and notes comply with the reporting guidelines of the General Manager of the Fair Work Commission;
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 period 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 period to which the GPFR relates and since the end of that year:
 - 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 branches concerned; and
 - c. the financial records of the Australian Education Union - Federal Office have been kept and maintained in accordance with the RO Act; 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 organisation; and
 - e. information has been furnished to any member of the Australian Education Union - Federal Office or to the General Manager of Fair Work Commission, as the case may be, where information sought by the member or the General Manager of the Fair Work Commission was duly made under section 272 of the RO Act; and
 - f. No order for inspection of financial record has been made by the Fair Work Commission under section 273 of the RO Act during the period.
6. The reporting unit has not engaged in recovery of wages activity which has resulted in the derivation of revenue in respect of such activity.

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

Designated Officer 
Susan Hopgood – Federal Secretary

Dated this 21st February 2013



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

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

Report on the concise financial report

The accompanying concise financial report of the Australian Education Union – Federal Office comprises the balance sheet as at 30 September 2012, 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 2012. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

Committee of Management 's responsibility for the concise 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 2012. Our audit report on the financial report for the year was signed on 21 February 2013 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 2012 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

21 February 2013
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 21 February 2013 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 acting as the Committee of Management, resolves that members will be provided with a copy of the Concise Financial Report for the year ended 30 September 2012, 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 28 March 2013.



.....
SUSAN LOUISE HOPGOOD
4 April 2013



FAIR WORK
AUSTRALIA

3 October 2012

Ms Susan Hopgood
Federal Secretary
Australian Education Union

Sent by email: shopgood@aeufederal.org.au

Dear Ms Hopgood,

**Re: Lodgement of Financial Report - [FR2012/501]
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

The financial year of the Australian Education Union (the "reporting unit") ended on 30 September 2012.

This is a courtesy letter to remind you of the obligation to prepare and lodge the financial report for the reporting unit by the due date, namely 15 April 2013 (that is the period within 6 months and 14 days of the end of the financial year) under s.268 of the RO Act.

The RO Act sets out a particular chronological order in which financial documents and statements must be prepared, audited, provided to members and presented to a meeting. For your assistance, the attached *Timeline/Planner* summarises these requirements.

Fact sheets regarding financial reporting under the RO Act are provided on the FWA website at: [Financial Reporting Fact Sheets](#).

The documents can be emailed to orgs@fwa.gov.au or sent by facsimile to (03) 9665 0410. If it is envisaged that the financial report cannot be lodged by the due date you are requested to contact this office prior to the due date to discuss the issue.

It should be noted that s.268 is a civil penalty provision. Failure to lodge a financial report may result in legal proceedings being issues with the possibility of a pecuniary penalty being imposed upon an officer whose conduct led to the contravention and/or your organisation.

Should you seek any clarification in relation to the above, please contact me on (03) 8661 7817 or via email at robert.pfeiffer@fwa.gov.au .

Yours faithfully,

Robert Pfeiffer
Senior Adviser
Regulatory Compliance Branch

TIMELINE/ PLANNER

Financial reporting period ending:	/ /
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Prepare financial statements and Operating Report.
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(a) A Committee of Management Meeting must consider the financial statements, and if satisfied, pass a resolution declaring the various matters required to be included in the Committee of Management Statement.	/ /
(b) A #designated officer must sign the Statement which must then be forwarded to the auditor for consideration as part of the General Purpose Financial Report (GPFR).	

As soon as practicable after end of financial year

Auditor's Report prepared and signed and given to the Reporting Unit - s257	/ /
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*Within a reasonable time of having received the GPFR
(NB: Auditor's report must be dated on or after date of Committee of Management Statement*

Provide full report free of charge to members – s265 The full report includes:	/ /
<ul style="list-style-type: none"> • the General Purpose Financial Report (which includes the Committee of Management Statement); • the Auditor's Report; and • the Operating Report. 	

(a) if the report is to be presented to a General Meeting (which must be held within 6 months after the end of the financial year), the report must be provided to members 21 days before the General Meeting,
or
(b) in any other case including where the report is presented to a Committee of Management meeting, the report must be provided to members within 5 months of end of financial year.*

Present full report to:	/ /
(a) General Meeting of Members - s266 (1),(2); OR	
(b) where the rules of organisation or branch allow* - a Committee of Management meeting - s266 (3)	/ /

Within 6 months of end of financial year

Within 6 months of end of financial year

Lodge full report with Fair Work Australia, together with the #Designated Officer's certificate** – s268	/ /
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Within 14 days of meeting

* the full report may only be presented to a committee of management meeting if the rules of the reporting unit provide that a percentage of members (not exceeding 5%) are able to call a general meeting to consider the full report.

The Committee of Management Statement and the Designated Officer's certificate must be signed by the Secretary or another officer who is an elected official and who is authorised under the rules (or by resolution of the organisation) to sign the statement or certificate – s243.

++ The Designated Officer's certificate must state that the documents lodged are copies of the documents provided to members and presented to a meeting in accordance with s266 – dates of such events must be included in the certificate. The certificate cannot be signed by a non-elected official.