



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 transitional period 1 October 2012 to 31 December 2012 (FR2013/391)**

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

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](#)

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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**

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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

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**From:** Sam Graziano [mailto:[SGraziano@aeufederal.org.au](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 1<sup>st</sup> October to 31 December 2012

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

**Sam Graziano**  
**Australian Education Union**  
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Southbank 3006  
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# Australian Education Union

**Federal Office**

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

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Ref.: 031.001.001

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 financial period ended 31 December 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 financial period ending 31 December 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.

The AEU has altered its financial year to a calendar year commencing 1 January 2013. This three (3) month report is provided for the transition period from the existing financial year ending 30 September 2012.

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**

**FINANCIAL REPORT  
FOR THE PERIOD ENDED 31 DECEMBER 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*

*Facsimile: 61 3 9693 1805*

*Email: [aeu@aeufederal.org.au](mailto:aeu@aeufederal.org.au)*

**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 period ended 31 December 2012.

**Members of executive**

The Federal Executive is elected for a two-period term commencing on 1 March and ending two periods later at the end of February. The current financial period 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 period is as follows:

Federal Executive from 1 March 2012

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
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 Hoppood **	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 period to the date of this report unless otherwise stated.

## **OPERATING REPORT (Continued)**

### **Significant changes in state of financial affairs**

The AEU-Federal Office changed its year end from 30 September to 31 December. This has resulted in the current period being 3 months from 1 October 2012 to 31 December 2012. No other significant changes in the state of financial affairs of the AEU-Federal Office occurred during the financial period.

### **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 period have focussed on the achievement of these strategic objectives.

### **Results of activities**

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

### **After balance date events**

No matters or circumstances have arisen since the end of the financial period 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 periods.

## **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 31 December 2012 was 20 (30 September 2012: 19)

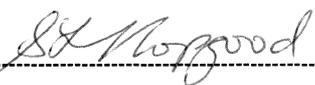
The number of members across 8 branches at 31 December 2012 was 197,117 (30 September 2012: 189,481).

**Superannuation trustees**

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

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

Signed in accordance with a resolution of the Federal Executive:

Designated Officer -----   
Susan Hopgood

Dated this 21 February 2013

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

	Notes	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
<b>Revenue from continuing operations</b>	4	1,484,771	8,909,258
<b>Expenses</b>			
Administrative and other expenses	6	(117,501)	(555,644)
Affiliation fees and levies	7	(783)	(1,348,581)
Australian educator		(142,884)	(567,065)
Campaign and project expenses	8	-	(2,967,993)
Employee related expenses	9	(649,007)	(2,609,780)
ITF allocation		(22,000)	(88,000)
Meeting and conference expenses	10	(59,573)	(464,711)
		<u>(991,748)</u>	<u>(8,601,774)</u>
<b>Surplus for the period</b>		<u>493,023</u>	<u>307,484</u>
<b>Surplus attributable to the members</b>		493,023	307,484
<b>Other comprehensive (expense)</b>			
Changes in reserves		-	(622,220)
<b>Total comprehensive income (expense) for the period attributable to the members</b>		<u><u>493,023</u></u>	<u><u>(314,736)</u></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 31 DECEMBER 2012**

	Notes	31 Dec 2012 \$	30 Sept 2012 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	11	8,887,736	8,227,987
Trade and other receivables	12	968,201	1,522,343
<b>Total current assets</b>		<b>9,855,937</b>	<b>9,750,330</b>
<b>Non-current assets</b>			
Available-for-sale financial assets	13	3,488,077	3,488,077
Property, plant and equipment	14	40,145	43,481
<b>Total non-current assets</b>		<b>3,528,222</b>	<b>3,531,558</b>
<b>Total assets</b>		<b>13,384,159</b>	<b>13,281,888</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	15	475,029	799,994
Provisions	16	1,658,600	1,724,387
<b>Total current liabilities</b>		<b>2,133,629</b>	<b>2,524,381</b>
<b>Total liabilities</b>		<b>2,133,629</b>	<b>2,524,381</b>
<b>Net assets</b>		<b>11,250,530</b>	<b>10,757,507</b>
<b>FUNDS</b>			
Reserves	17	3,829,668	3,829,668
General fund	18	7,420,862	6,927,839
<b>Total funds</b>		<b>11,250,530</b>	<b>10,757,507</b>

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 PERIOD ENDED 31 DECEMBER 2012**

	<b>General Fund \$</b>	<b>Reserves \$</b>	<b>Total \$</b>
<b>Balance at 1 October 2011</b>	5,998,135	4,451,888	10,450,023
Total comprehensive income for the period	307,484	-	307,484
Revaluation of financial assets	-	-	-
Transfer from general fund	<u>622,220</u>	<u>(622,220)</u>	<u>-</u>
<b>Balance at 30 September 2012</b>	<u>6,927,839</u>	<u>3,829,668</u>	<u>10,757,507</u>
<b>Balance at 1 October 2012</b>	6,927,839	3,829,668	10,757,507
Total comprehensive income for the period	493,023	-	493,023
Revaluation of financial assets	-	-	-
Transfer from general fund	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance at 31 December 2012</b>	<u>7,420,862</u>	<u>3,829,668</u>	<u>11,250,530</u>

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

**STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

	Notes	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
<b>Cash flows from operating activities</b>			
Receipts of capitation fees and levies (inclusive of GST)	23(a)	1,576,794	6,681,687
Receipts of campaign contributions from branches (inclusive of GST)	23(b)	152,675	1,880,991
Grant received		-	110,000
Sundry receipts		49,872	243,004
Payments to suppliers and employees (inclusive of GST)		(1,187,536)	(9,099,706)
Interest received		51,230	424,140
<b>Net cash inflow from operating activities</b>	23(c)	<u>643,035</u>	<u>240,116</u>
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		-	(8,842)
<b>Net cash (outflow) from investing activities</b>		<u>-</u>	<u>(8,842)</u>
<b>Cash flows from financing activities</b>			
Repayment (advance) of borrowing		16,714	(101,223)
<b>Net cash inflow (outflow) from financing activities</b>		<u>16,714</u>	<u>(101,223)</u>
<b>Net increase in cash and cash equivalents</b>		<b>659,749</b>	130,051
Cash and cash equivalents at beginning of financial period		<u>8,227,987</u>	8,097,936
<b>Cash and cash equivalents at end of financial period</b>	12(a)	<u><u>8,887,736</u></u>	<u><u>8,227,987</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

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**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 periods 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 period beginning 1 October 2012 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 reporting period beginning 1 October 2012.

*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 PERIOD ENDED 31 DECEMBER 2012**

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**1: Summary of significant accounting policies**

**(b) Revenue recognition**

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

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

Revenue is recognised for the major operating activities as follows:

*Capitation fees and levies*

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

*Campaign contributions from branches*

Campaign contributions from branches are recognised when the right to receive the fee or levy has been established.

*Interest income*

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

*Other revenue*

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

**(c) Income tax**

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

**(d) Cash and cash equivalents**

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

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**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 PERIOD ENDED 31 DECEMBER 2012**

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**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.

<b>Class of fixed asset</b>	<b>Depreciation rate</b>	<b>Depreciation basis</b>
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 period and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

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**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 period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

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**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 period.

**(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 PERIOD ENDED 31 DECEMBER 2012

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**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	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
<b>From continuing operations</b>			
<i>Service revenue</i>			
Affiliation fees & other levies	a	-	1,153,838
Australian Educator		15,963	58,637
Campaign contributions from branches	b	-	1,758,310
Capitation fees	c	1,173,845	4,652,268
Library income		16,762	64,648
Publication levy	d	151,209	599,527
TAFE teacher		-	19,040
		<u>1,357,779</u>	<u>8,306,268</u>
<i>Other revenue</i>			
Interest		67,516	375,222
Rent		41,675	123,469
Other revenue		17,801	104,299
		<u>126,992</u>	<u>602,990</u>
		<u>1,484,771</u>	<u>8,909,258</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

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**4: Revenue (Continued)**

**(a) Affiliation fees & other levies**

	<b>1 Oct 12 to 31 Dec 12 \$</b>	<b>1 Oct 11 to 30 Sept 12 \$</b>
ACT Branch	-	19,431
NSW Branch	-	377,964
NT Branch	-	12,096
QLD Branch	-	245,303
SA Branch	-	84,388
TAS Branch	-	38,899
VIC Branch	-	287,116
SSTUWA for the WA Branch	-	88,641
	<u>-</u>	<u>1,153,838</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**

	<b>1 Oct 12 to 31 Dec 12 \$</b>	<b>1 Oct 11 to 30 Sept 12 \$</b>
ACT Branch	-	29,670
NSW Branch	-	566,021
NT Branch	-	18,925
QLD Branch	-	387,731
SA Branch	-	130,472
TAS Branch	-	59,400
VIC Branch	-	430,901
SSTUWA for the WA Branch	-	135,190
	<u>-</u>	<u>1,758,310</u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

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**4: Revenue (Continued)**

**(c) Capitation fees**

	<b>1 Oct 12 to 31 Dec 12 \$</b>	<b>1 Oct 11 to 30 Sept 12 \$</b>
ACT Branch	19,768	78,264
NSW Branch	384,518	1,530,222
NT Branch	12,306	49,493
QLD Branch	249,556	990,073
SA Branch	85,852	339,718
TAS Branch	39,573	156,704
VIC Branch	292,094	1,150,717
SSTUWA for the WA Branch	90,178	357,077
	<u>1,173,845</u>	<u>4,652,268</u>

**(d) Publication levy**

	<b>1 Oct 12 to 31 Dec 12 \$</b>	<b>1 Oct 11 to 30 Sept 12 \$</b>
ACT Branch	2,546	10,086
NSW Branch	49,532	197,197
NT Branch	1,585	6,379
QLD Branch	32,147	127,589
SA Branch	11,059	43,778
TAS Branch	5,098	20,195
VIC Branch	37,626	148,289
SSTUWA for the WA Branch	11,616	46,014
	<u>151,209</u>	<u>599,527</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 31 DECEMBER 2012

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**5: Expenses**

1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
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The surplus for the period includes the following specific expenses:

*Depreciation of non-current assets*

Office equipment	2,058	11,652
Furniture, fixtures and fittings	<u>1,278</u>	<u>4,979</u>
	<u>3,336</u>	<u>16,631</u>

*Bad and doubtful debts*

Trade receivables	-	2,218
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*Sponsorship & Donations (total of individual amounts more than \$1,000)*

	-	7,000
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*Loss on disposals of fixed assets*

	-	674
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During the period the following fees were paid or payable for services provided by the auditor and its related practices:

Audit of the financial report	14,000	26,250
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**6: Administration and other expenses**

1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
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Legal fees	-	60,204
Overseas travel allowances	-	2,044
Donations (>\$1,000 each)	-	7,000
Donations (<\$1,000 each)	660	2,184
Other expenses	<u>116,841</u>	<u>484,212</u>
	<u>117,501</u>	<u>555,644</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 31 DECEMBER 2012

**7: Affiliation fees & levies**

	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
ACTU	-	614,140
ACTU IR levy	-	372,206
EI	-	351,979
ACOSS	578	1,091
APHEDA	-	3,327
Australian Institute Employment Right	-	3,000
Others	205	2,838
	<u>783</u>	<u>1,348,581</u>

**8: Campaign and project expenses**

	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
Public education campaigns	-	2,900,427
Research project and other campaigns	-	67,566
	<u>-</u>	<u>2,967,993</u>

**9: Employee related expenses**

	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
Wages and salaries – staff	179,744	703,756
Wages and salaries – holders of office	372,413	1,198,890
Superannuation – staff	22,850	115,584
Superannuation – holders of office	44,315	293,955
Movement in long service leave provision - staff	(17,863)	21,283
Movement in long service leave provision – holders of office	10,123	64,319
Movement in annual leave provision - staff	(58,996)	10,672
Movement in annual leave provision – holders of office	949	57,206
Professional development	426	4,633
Other employee expenses	95,046	139,482
	<u>649,007</u>	<u>2,609,780</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 31 DECEMBER 2012

**10: Meeting and conference expenses**

	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
Meeting allowances	18,959	138,012
Other meeting expenses	<u>40,614</u>	<u>326,699</u>
	<u>59,573</u>	<u>464,711</u>

**11: Current assets – Cash and cash equivalents**

	31 Dec 2012 \$	30 Sept 2012 \$
Cash on hand	3,661	3,395
Cash at bank	2,945,252	2,327,009
Deposits at call	<u>5,938,823</u>	<u>5,897,583</u>
	<u>8,887,736</u>	<u>8,227,987</u>

**(a) Reconciliation to cash at the end of the period**

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

Balances as above	<u>8,887,736</u>	<u>8,227,987</u>
Balances per statement of cash flows	<u>8,887,736</u>	<u>8,227,987</u>

**12: Current assets – Trade and other receivables**

	31 Dec 2012 \$	30 Sept 2012 \$
<i>Branch Receivables:</i>		
ACT Branch	2,586	7,756
NSW Branch	763,366	763,366
NT Branch	1,243	4,946
QLD Branch	-	76,163
SA Branch	-	25,163
TAS Branch	-	13,667
VIC Branch	-	134,325
SSTUWA for the WA Branch	-	27,522
	<u>767,195</u>	<u>1,052,908</u>
Prepayments	89,510	97,607
Due from the FEU Unit trust	7,642	-
Other receivables	<u>103,854</u>	<u>371,828</u>
	<u>968,201</u>	<u>1,522,343</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 31 DECEMBER 2012

**12: Current assets – Trade and other receivables (Continued)**

**(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.

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

	31 Dec 2012 \$	30 Sept 2012 \$
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	3,488,077
Additions	-	-
Increase in investment revaluation reserve	-	-
Closing balance	<u>3,488,077</u>	<u>3,488,077</u>

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

	31 Dec 2012 \$	30 Sept 2012 \$
<b>Plant and equipment</b>		
Office equipment		
At cost	74,646	74,646
Less accumulated depreciation	<u>(51,627)</u>	<u>(49,569)</u>
	<u>23,019</u>	<u>25,077</u>
Furniture, fixtures and fittings		
At cost	51,103	51,103
Less accumulated depreciation	<u>(33,977)</u>	<u>(32,699)</u>
	<u>17,126</u>	<u>18,404</u>
<b>Total property, plant and equipment</b>	<u>40,145</u>	<u>43,481</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 PERIOD ENDED 31 DECEMBER 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 period:

	Office equipment	Furniture, fittings and fixtures	Total
	\$	\$	\$
<b>30 Sept 2012</b>			
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>
<b>31 Dec 2012</b>			
Opening net book amount	25,077	18,404	43,481
Depreciation	(2,058)	(1,278)	(3,336)
Closing net book amount	<u>23,019</u>	<u>17,126</u>	<u>40,145</u>

**15: Current liabilities – Trade and other payables**

	31 Dec 2012 \$	30 Sept 2012 \$
<i>Unsecured:</i>		
Due to the FEU Unit trust	-	33,102
Trade creditors	255,746	473,933
Funding in advance	100,000	100,000
Other payables and accruals	119,283	192,960
	<u>475,029</u>	<u>799,995</u>

**16: Current liabilities – Provisions**

	31 Dec 2012 \$	30 Sept 2012 \$
Employee benefits - staff	484,984	473,912
Employee benefits – holders of office	1,106,741	1,183,600
Other provisions	66,875	66,875
	<u>1,658,600</u>	<u>1,724,387</u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 31 DECEMBER 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 2011	1,504,032	66,875	1,570,907
Charged to income statement	153,480	-	153,480
Balance at 30 September 2012	1,657,512	66,875	1,724,387
Charged to income statement	(65,787)	-	(65,787)
Balance at 31 December 2012	<u>1,591,725</u>	<u>66,875</u>	<u>1,658,600</u>

**17: Reserves**

	31 Dec 2012	30 Sept 2012
	\$	\$
Public education campaign reserve	<b>(a) 1,727,418</b>	1,727,418
Workers rights campaign reserve	<b>(b) 273,352</b>	273,352
Available for sale investments revaluation reserve	<b>(c) 1,714,698</b>	1,714,698
Allocated funds reserve	<b>(d) 114,200</b>	114,200
	<u><b>3,829,668</b></u>	<u>3,829,668</u>

**(a) Public education campaign reserve**

	31 Dec 2012	30 Sept 2012
	\$	\$
Movements during the financial period:		
<i>Opening balance</i>	<b>1,727,418</b>	2,269,535
Funds received (note 4)	-	1,758,310
Funds allocated	-	600,000
	-	2,358,310
Funds spent (note 8)	-	(2,900,427)
Funds transferred	-	(542,117)
<i>Closing balance</i>	<u><b>1,727,418</b></u>	<u>1,727,418</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 PERIOD ENDED 31 DECEMBER 2012**

**17: Reserves (Continued)**

**(b) Workers rights campaign reserve**

	<b>31 Dec 2012</b>	<b>30 Sept 2012</b>
	<b>\$</b>	<b>\$</b>
Movements during the financial period:		
<i>Opening balance</i>	<b>273,352</b>	409,455
Funds received	-	186,103
Funds allocated	-	50,000
	-	236,103
Funds spent (note 7)	-	(372,206)
Funds transferred	-	(136,103)
<i>Closing balance</i>	<b><u>273,352</u></b>	<b><u>273,352</u></b>

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**

	<b>31 Dec 2012</b>	<b>30 Sept 2012</b>
	<b>\$</b>	<b>\$</b>
Movements during the financial period:		
Opening balance	<b>1,714,698</b>	1,714,698
Revaluation	-	-
Closing balance	<b><u>1,714,698</u></b>	<b><u>1,714,698</u></b>

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.

<b>(d) Allocated funds reserve</b>	<b>31 Dec 2012</b>	<b>30 Sept 2012</b>
	<b>\$</b>	<b>\$</b>
Movements during the financial period:		
<i>Opening balance</i>	<b>114,200</b>	58,200
Funds allocated		
- Equipment upgrade	-	56,000
Funds transferred	-	56,000
<i>Closing balance</i>	<b><u>114,200</u></b>	<b><u>114,200</u></b>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

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**18: General funds**

	<b>31 Dec 2012</b>	<b>30 Sept 2012</b>
	\$	\$
<i>Movements in the general funds were as follows:</i>		
Opening balance	6,927,839	5,998,135
Net surplus for the period	493,023	307,484
Transfer to reserves	-	622,220
Ending balance	<u>7,420,862</u>	<u>6,927,839</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.

	<b>31 Dec 2012</b>	<b>30 Sept 2012</b>
	\$	\$
Bank autopay facility	<u>30,000</u>	<u>30,000</u>

There are no other known contingent assets or liabilities at 31 December 2012.

**20: Commitments**

	<b>31 Dec 2012</b>	<b>30 Sept 2012</b>
	\$	\$
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one period	36,696	36,696
Later than one period but no later than five periods	<u>143,726</u>	<u>146,784</u>
	<u>180,422</u>	<u>183,480</u>

*General description of leasing arrangement:*

Leases are for photocopiers and postage meters.

**21: Events occurring after reporting date**

No matter or circumstance has arisen since the end of the financial period 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 period.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

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**22: Related party transactions**

**(a) Key management personnel**

**Members of Executive**

(i) The Federal Executive is elected for a two-period term commencing on 1 March and ending two periods later at the end of February. The current financial period 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 period are:

Federal Executive from 1 March 2012

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
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	

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

Catherine Davis	Susan Hopgood
Jenni Devereaux	Pat Forward
David Colley	Darcel Russell

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

	<b>1 Oct 12</b>	<b>1 Oct 11</b>
	<b>to</b>	<b>to</b>
	<b>31 Dec 12</b>	<b>30 Sept 12</b>
	<b>\$</b>	<b>\$</b>
Short term benefits	<u><b>427,800</b></u>	<u><b>1,614,370</b></u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 31 DECEMBER 2012

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**22: Related party transactions (Continued)**

**(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).

	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
<i>Administration fees received</i>		
From the Australian Education Union International Trust Fund	12,500	50,000
<i>Rent received</i>		
From the Federation of Education Unions Unit trust	41,675	123,469
<i>Purchases of goods and services:</i>		
<i>Outgoings paid</i>		
To the Federation of Education Unions Unit trust	49,210	124,020
<i>Superannuation contributions</i>		
Defined contribution superannuation contributions on behalf of employees	67,165	409,539

**(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 PERIOD ENDED 31 DECEMBER 2012**

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**23: Cash flow information**

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

	<b>1 Oct 12 to 31 Dec 12 \$</b>	<b>1 Oct 11 to 30 Sept 12 \$</b>
ACT Branch	24,545	118,559
NSW Branch	477,455	2,070,647
NT Branch	17,426	72,619
QLD Branch	353,394	1,455,741
SA Branch	106,603	514,672
TAS Branch	56,039	230,477
VIC Branch	413,632	1,693,793
SSTUWA for the WA Branch	127,700	525,179
	<u><b>1,576,794</b></u>	<u><b>6,681,687</b></u>

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

	<b>1 Oct 12 to 31 Dec 12 \$</b>	<b>1 Oct 11 to 30 Sept 12 \$</b>
ACT Branch	2,585	30,021
NSW Branch	-	623,085
NT Branch	1,610	20,903
QLD Branch	32,641	426,392
SA Branch	22,458	132,133
TAS Branch	5,176	65,282
VIC Branch	76,410	434,601
SSTUWA for the WA Branch	11,795	148,574
	<u><b>152,675</b></u>	<u><b>1,880,991</b></u>

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE PERIOD ENDED 31 DECEMBER 2012

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**23: Cash flow information (Continued)**

	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
<b>(c) Reconciliation of cash flow from operations with the surplus for the period</b>		
Surplus for the period	493,023	307,484
<i>Non-cash flows in surplus</i>		
Depreciation	3,336	16,631
Bad debts	-	2,218
Loss on disposal of assets	-	674
<i>Changes in assets and liabilities</i>		
Decrease (Increase) in trade and other receivables	561,162	(728,841)
(Decrease) Increase in payables	(348,699)	488,470
(Decrease) Increase in provisions	(65,787)	153,480
Cash flows from operations	<u>643,035</u>	<u>240,116</u>

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

**COMMITTEE OF MANAGEMENT STATEMENT**

---

On 21 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 period ended 31 December 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 21 February 2013



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

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Incorporating BGL & Associates

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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 31 December 2012, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the period 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*

BGL & Associates  
Chartered Accountants

*I. Hinds.*

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



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

**CONCISE FINANCIAL REPORT**  
**FOR THE PERIOD ENDED 31 DECEMBER 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*

*Facsimile: 61 3 9693 1805*

*Email: [aeu@aeufederal.org.au](mailto:aeu@aeufederal.org.au)*

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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 three-month period ended 31 December 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 for three-month period from 1 October 2012 to 31 December 2012 (comparatives are for the year 1 October 2011 to 30 September 2012).

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 full financial report for the period from 1 October to 31 December 2012 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 three-month period was \$493,023 compared with a \$307,484 surplus for the full year ended 30 September 2012. This surplus is mainly due to a time factor as many of the yearly activities take place in the first part of any calendar year. This will readjust once we move back to reporting for a full year in the next reporting period.

**Balance Sheet**

Total assets increased by 0.77% or \$102,271 from \$13,281,888 as at 30 September 2012 to \$13,384,159 at 31 December 2012 mainly due to an increase in cash on hand. Total liabilities decreased by \$390,752 or 17% from \$2,524,381 at 30 September 2012 to \$2,133,629 at 31 December 2012.

The net result was an overall increase in members' funds of \$493,023. There was no movement in the Campaign Funds set aside in a reserve fund for the activities which will be held in 2013. These campaign funds have been set aside for campaigning around public education in the lead up to the forthcoming federal election.

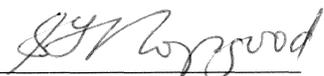
**Statement of Cash Flows**

Net cash flows from operations increased by \$ 402,919 from \$240,116 in September 2012 to \$ 643,035 in December 2012. The result was due to decrease of payments to suppliers and employees.

Overall cash balances increased by \$659,749 from last year, with cash on hand and at banks at 31 December 2012 being \$ 8,887,736 (30 September 2012: \$8,277,987).

Signed in accordance with a resolution of the Committee of Management

Designated Officer



Susan Hopgood – Federal Secretary

Dated this 21 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 period ended 31 December 2012.

**Members of executive**

The Federal Executive is elected for a two-period term commencing on 1 March and ending two periods later at the end of February. The current financial period 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 period is as follows:

Federal Executive from 1 March 2012

<b>Name</b>	<b>Position</b>	<b>Name</b>	<b>Position</b>
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 period to the date of this report unless otherwise stated.

## **OPERATING REPORT (Continued)**

### **Significant changes in state of financial affairs**

The AEU-Federal Office changed its year end from 30 September to 31 December. This has resulted in the current period being 3 months from 1 October 2012 to 31 December 2012. No other significant changes in the state of financial affairs of the AEU-Federal Office occurred during the financial period.

### **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 period have focussed on the achievement of these strategic objectives.

### **Results of activities**

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

### **After balance date events**

No matters or circumstances have arisen since the end of the financial period 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 periods.

## **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 31 December 2012 was 20 (30 September 2012: 19)

The number of members across 8 branches at 31 December 2012 was 197,117 (30 September 2012: 189,481).

**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 21 February 2013

**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

	Note	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
<b>Revenue from continuing operations</b>	3	1,484,771	8,909,258
<b>Expenses</b>			
Administrative and other expenses		(117,501)	(555,644)
Affiliation fees and levies		(783)	(1,348,581)
Australian educator		(142,884)	(567,065)
Campaign and project expenses		-	(2,967,993)
Employee related expenses		(649,007)	(2,609,780)
ITF allocation		(22,000)	(88,000)
Meeting and conference expenses		(59,573)	(464,711)
		<u>(991,748)</u>	<u>(8,601,774)</u>
<b>Surplus for the period</b>		<u>493,023</u>	<u>307,484</u>
<b>Surplus attributable to the members</b>		493,023	307,484
<b>Other comprehensive (expense)</b>			
Changes in reserves		-	(622,220)
<b>Total comprehensive income (expense) for the period attributable to the members</b>		<u><u>493,023</u></u>	<u><u>(314,736)</u></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 31 DECEMBER 2012**

	31 Dec 2012 \$	30 Sept 2012 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	8,887,736	8,227,987
Trade and other receivables	<u>968,201</u>	<u>1,522,343</u>
<b>Total current assets</b>	<u>9,855,937</u>	<u>9,750,330</u>
<b>Non-current assets</b>		
Available-for-sale financial assets	3,488,077	3,488,077
Property, plant and equipment	<u>40,145</u>	<u>43,481</u>
<b>Total non-current assets</b>	<u>3,528,222</u>	<u>3,531,558</u>
<b>Total assets</b>	<u>13,384,159</u>	<u>13,281,888</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	475,029	799,994
Provisions	<u>1,658,600</u>	<u>1,724,387</u>
<b>Total current liabilities</b>	<u>2,133,629</u>	<u>2,524,381</u>
<b>Total liabilities</b>	<u>2,133,629</u>	<u>2,524,381</u>
<b>Net assets</b>	<u>11,250,530</u>	<u>10,757,507</u>
<b>FUNDS</b>		
Reserves	3,829,668	3,829,668
General fund	<u>7,420,862</u>	<u>6,927,839</u>
<b>Total funds</b>	<u>11,250,530</u>	<u>10,757,507</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 PERIOD ENDED 31 DECEMBER 2012**

	<b>General Fund \$</b>	<b>Reserves \$</b>	<b>Total \$</b>
<b>Balance at 1 October 2011</b>	5,998,135	4,451,888	10,450,023
Total comprehensive income for the period	307,484	-	307,484
Revaluation of financial assets	-	-	-
Transfer from general fund	<u>622,220</u>	<u>(622,220)</u>	<u>-</u>
<b>Balance at 30 September 2012</b>	<u>6,927,839</u>	<u>3,829,668</u>	<u>10,757,507</u>
<b>Balance at 1 October 2012</b>	6,927,839	3,829,668	10,757,507
Total comprehensive income for the period	493,023	-	493,023
Revaluation of financial assets	-	-	-
Transfer from general fund	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance at 31 December 2012</b>	<u>7,420,862</u>	<u>3,829,668</u>	<u>11,250,530</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 PERIOD ENDED 31 DECEMBER 2012**

	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
<b>Cash flows from operating activities</b>		
Receipts of capitation fees and levies (inclusive of GST)	1,576,794	6,681,687
Receipts of campaign contributions from branches (inclusive of GST)	152,675	1,880,991
Grant received	-	110,000
Sundry receipts	49,872	243,004
Payments to suppliers and employees (inclusive of GST)	(1,187,536)	(9,099,706)
Interest received	51,230	424,140
<b>Net cash inflow from operating activities</b>	<u>643,035</u>	<u>240,116</u>
<b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	-	(8,842)
<b>Net cash (outflow) from investing activities</b>	<u>-</u>	<u>(8,842)</u>
<b>Cash flows from financing activities</b>		
Repayment (advance) of borrowing	16,714	(101,223)
<b>Net cash inflow (outflow) from financing activities</b>	<u>16,714</u>	<u>(101,223)</u>
<b>Net increase in cash and cash equivalents</b>	<b>659,749</b>	<b>130,051</b>
Cash and cash equivalents at beginning of financial period	<u>8,227,987</u>	<u>8,097,936</u>
<b>Cash and cash equivalents at end of financial period</b>	<u><u>8,887,736</u></u>	<u><u>8,227,987</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2012**

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**1: Summary of significant accounting policies**

**(a) Basis of preparation**

The AEU-Federal Office changed its year end from 30 September to 31 December. This has resulted in the current period being 3 months from 1 October 2012 to 31 December 2012.

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 PERIOD ENDED 31 DECEMBER 2012

**3: Revenue**

	1 Oct 12 to 31 Dec 12 \$	1 Oct 11 to 30 Sept 12 \$
<b>From continuing operations</b>		
<i>Service revenue</i>		
Affiliation fees & other levies	-	1,153,838
Australian Educator	15,963	58,637
Campaign contributions from branches	-	1,758,310
Capitation fees	1,173,845	4,652,268
Library income	16,762	64,648
Publication levy	151,209	599,527
TAFE teacher	-	19,040
	<u>1,357,779</u>	<u>8,306,268</u>
<i>Other revenue</i>		
Interest	67,516	375,222
Rent	41,675	123,469
Other revenue	17,801	104,299
	<u>126,992</u>	<u>602,990</u>
	<u>1,484,771</u>	<u>8,909,258</u>

**4: 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.

	31 Dec 2012 \$	30 Sept 2012 \$
Bank autopay facility	<u>30,000</u>	<u>30,000</u>

There are no other known contingent assets or liabilities at 31 December 2012.

**5: Events occurring after reporting date**

No matter or circumstance has arisen since the end of the financial period 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 period.

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

**COMMITTEE OF MANAGEMENT STATEMENT**

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On 21 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 period ended 31 December 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 21 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 31 December 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 period ended 31 December 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 period ended 31 December 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 period ended 31 December 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 period 1 October – 31 December 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](http://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.



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SUSAN LOUISE HOPGOOD

4 April 2013