



10 May 2014

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

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

Dear Ms Hopgood

**Australian Education Union  
Financial Report for the year ended 31 December 2013**

I acknowledge receipt of the financial report of the Australian Education Union. The documents were lodged with the Fair Work Commission on 7 May 2014.

The financial report has now been filed. You are not required to take any further action in respect of the report lodged.

The financial report was filed based on a primary review. This involved confirming that the financial reporting timelines required under s.253, s.265, s.266 and s.268 of the *Fair Work (Registered Organisations) Act 2009* (RO Act) have been satisfied, all documents required under s.268 of the RO Act were lodged and that various disclosure requirements under the Australian Accounting Standards, RO Act and reporting guidelines have been complied with. A primary review does not examine all disclosure requirements.

Please note that the financial report for the year ending 31 December 2014 may be subject to an advanced compliance review.

If you have any queries regarding this letter, please contact me on (03) 8661 7639 or via email at [margaret.williams@fwc.gov.au](mailto:margaret.williams@fwc.gov.au)

Yours sincerely

Margaret Williams  
Regulatory Compliance Branch



# *Australian Education Union*

*Federal Office*

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

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

Ref.: 031.001.001

7 May 2014

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

Dear Ms O'Neill,

**Re: Financial Documents for the Australian Education Union**  
**for financial period ended 31 December 2013**

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 2013 (Attachment A);
- (b) A copy of the AEU Financial Report for the financial period ending 31 December 2013 with some information concerning membership of boards, Directors of Companies and Trustees of Superannuation Funds masked with a clear explanation that the full disclosures are available to members on request (Attachment B);
- (c) A copy of the concise report provided to members (Attachment C);
- (d) 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 1 May 2014 (Attachment D).

In the interests of the privacy of those holding office in the AEU, I request that the versions of the Financial reports (Full and Concise) placed on the FWC website be those with the information concerning membership of Boards, Directors of Companies and Trustees of Superannuation Funds masked.

Yours sincerely,

A handwritten signature in black ink that reads "S Hopgood". The signature is written in a cursive, flowing style.

Susan Hopgood  
Federal Secretary

SECRETARY'S CERTIFICATE

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

1. I am an Officer authorised by the AEU Rules to lodge these documents.
2. The Federal Executive of the AEU held a meeting in accordance with the rules on 20 February 2014 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 financial period ended 31 December 2013 and that members shall be provided free of charge with a copy of the full report where they make a request. The copy of the Concise Report provided will have some information concerning membership of boards, Directors of Companies and Trustees of Superannuation Funds masked with a clear explanation that the full disclosures are available on 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) on and from 24 February 2014. 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*.
5. Both copies of the full report being lodged are the documents presented to the meeting of the Federal Executive of the AEU on 1 May 2014.



.....  
SUSAN LOUISE HOPGOOD  
7 May 2014

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

**FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**



**Australian Education Union**

*Federal Office:*

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

*Federal Secretary: Susan Hopgood*

*Federal President: Angelo Gavrielatos*

*Telephone: 61 3 9693 1800*

*Facsimile: 61 3 9693 1805*

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

## TABLE OF CONTENTS

Operating Report	i - ix
Financial Report	
Statement of comprehensive income	1
Balance sheet	2
Statement of changes in funds	3
Statement of cash flows	4
Notes to the financial statements	5 – 38
Committee of management statement	39
Independent auditor's report	40

This financial report covers the Australian Education Union - Federal Office as an individual entity. Due to a change in the financial year end the comparative figures are for a three-month period from 1 October 2012 to 31 December 2012. 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 2014.

## **OPERATING REPORT**

The Federal Executive presents their report on the Australian Education Union - Federal Office (The AEU-Federal Office) for the financial year ended 31 December 2013.

### **Members of executive**

The Federal Executive is elected for a two-year term commencing on 1 March and ending two years later at the end of February.

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

#### **Federal Executive from 1 March 2012**

<b><i>Name</i></b>	<b><i>Position</i></b>	<b><i>Name</i></b>	<b><i>Position</i></b>
Mary Bluett (until 24 Feb 2013 when resigned)	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 **	General Division
Angelo Gavrielatos **	Federal President	David Smith (elected 9 April 2013)	General Division
	General Division	Anne Gisborne **	General Division
Correna Haythorpe (to 24 Feb 2013 )	General Division	Brian Henderson (until 11 April 2013 when resigned)	General Division
( from 25 Feb 2013)**	Deputy Federal President		
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	Justin Mullaly (from 3 May 2013)	General Division

\*\* members of Finance Committee

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

## **OPERATING REPORT (Continued)**

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

The AEU-Federal Office changed its year end last year from 30 September to 31 December. This has resulted in the current year covering a 12 month period from 1 January 2013 to 31 December 2013 whereas the comparatives covering a 3 month period 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 year.

### **Review of principal activities and results of operations**

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

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

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

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

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

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

In relation to the first objective, the AEU / give a Gonski campaign at the national, state and school community level focussed on getting community and government support for the replacement of the existing inequitable federal schools funding model by a new funding model based on the findings of the Gonski Schools Funding review Panel, i.e. funding all schools to the resource standard necessary for every student to be given the opportunity to succeed regardless of their family background or circumstances. The AEU campaigned hard for the election of a federal government which would commit to and honour a better education for all Australian children.

In the face of the increasing privatisation of TAFE, the *Stop TAFE Cuts* campaign was initiated by the AEU. Campaigning focussed on the House of Representatives inquiry into TAFE. The AEU worked closely with the ACTU to maximise broader union participation and the number of submissions to this inquiry. As part of building the campaign, and in order to maximise the profile of the inquiry, we nominated 3 June National TAFE Day and activities were held in TAFE campuses around the country.

The union has campaigned in support of the significantly increased investment in the Early Childhood sector by the Labor Government which resulted in increased access and participation and a new national system of regulation. The AEU recognises the urgency associated with the need to increase access and participation of Aboriginal and Torres Strait Islander children in early childhood education.

## **OPERATING REPORT (Continued)**

### **Review of principal activities and results of operations (continued)**

The union has worked with members, Branches and employing authorities to improve the status of the profession in all sectors, through advocacy and support for the Professional Standards for Teachers, introduction of professional qualifications for TAFE Teachers and Early Childhood teachers as well as further recognition through improved remuneration for teachers and education workers, improved working conditions and representation on various professional bodies such as AITSL and the Australian Qualifications Framework Council.

The AEU has, in conjunction with the ACTU and the broader trade union movement made various submissions to Inquiries in relation to the industrial relations legislation.

### **Results of activities**

During the financial year, the AEU has successfully campaigned for increased Government funding to public schools and the passage of the Australian Education Act which introduced a new and fair model of funding for schools based on the needs of our students as well as increased funding for public schools. Members of the AEU, parents and community members gave their support and commitment to securing extra Gonski funding for every school and for every child.

Despite the election of a federal government which does not share our commitment, together with parents and the broader community, our unprecedented effort on behalf of their children and their schools has ensured that a fairer funding deal for schools remains firmly on the agenda. The impact of our high profile Gonski Campaign was enormous. The strength of public support for the *I Give a Gonski* schools funding campaign forced the last-minute announcement from the Coalition during the election to "match" Labor's funding commitment.

The AEU's *Stop TAFE Cuts* campaign has successfully built a strong presence on social media, and the *Do Your Block* activity held across the country from 11 – 17 November saw the distribution of over 100,000 leaflets and letters. We have been successful in engaging a broad cross section of the Australian community in the campaign, including a number of students groups who have been very keen to engage with us. The House of Representatives Inquiry into TAFE received more than 1,000 submissions and the AEU appeared at one of the two public hearings.

The AEU successfully completed a research project with the University of Melbourne, in partnership with Holmesglen TAFE and Canberra Institute of Technology investigating specialised VET pedagogy. This project has raised awareness of, and contributed to support for specialised TAFE teacher qualifications and improvements to the status of the profession.

Throughout the financial year the AEU has successfully enhanced and supported 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.

The AEU federal office has coordinated, researched and informed Branches on matters relating to industrial matters including support for salaries and conditions which have resulted in increased salaries and improved conditions across the country.



## **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 year before the member's resignation took effect, may be sued for and recovered in the name of the Union, in a court of competent jurisdiction, as a debt due to the Union.
- (6) A notice delivered to the relevant Branch Secretary shall be taken to have been received by the Union when it was delivered.
- (7) A notice of resignation that has been received at the office of the relevant Branch Secretary is not invalid because it was not addressed and delivered in accordance with sub-rule (1).
- (8) A resignation from membership is valid even if it is not effected in accordance with this section if the member is informed in writing by or on behalf of the Union that the resignation has been accepted.
- (9) A relevant Branch Secretary may accept a resignation from membership which is not effected in accordance with this Rule.
- (10) Where the relevant Branch Secretary accepts a resignation in accordance with the previous sub-rule the relevant Branch Secretary shall inform the member in writing that his/her resignation has been accepted.
- (11) On receipt of a written notice from a member that he/she has become ineligible for membership of the Union or a notice of resignation or on acceptance of a resignation which is not effected in accordance with this Rule, the Branch Secretary shall, as soon as possible notify the Federal Secretary that the member has become ineligible for membership or that the member has resigned."

**OPERATING REPORT (Continued)**

**Membership and employee numbers**

The number of employees includes both full-time employees and part-time employees measured on a full-time equivalent basis at 31 December 2013 was 20 (31 December 2012: 20)

The number of members across 8 branches at 31 December 2013 was 193,532 (31 December 2012: 197,117).

**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.

**Directorships of Superannuation Funds**

See Attachment A

The AEU is obliged to provide information concerning officers, employees and/or members who are on Superannuation boards, directors of companies or members of boards.

This information has been masked where these positions are not held because of their position in the organisation. However any AEU member has a right to this information and will be provided it upon request to the AEU Federal Secretary at [federalsecretary@aeufederal.org.au](mailto:federalsecretary@aeufederal.org.au)


**Directorships of company or a member of a board**

See Attachment B

The AEU is obliged to provide information concerning officers, employees and/or members who are on Superannuation boards, directors of companies or members of boards.

This information has been masked where these positions are not held because of their position in the organisation. However any AEU member has a right to this information and will be provided it upon request to the AEU Federal Secretary at [federalsecretary@aeufederal.org.au](mailto:federalsecretary@aeufederal.org.au)

Signed in accordance with a resolution of the Federal Executive:

Signature of designated officer:  ,

Name of designated officer: Susan Hopgood

Title of designated officer: Federal Secretary

Date: 20/2/14

OPERATING REPORT (Continued)

ATTACHMENT A

DIRECTORSHIPS OF SUPERANNUATION FUNDS

Officer/Employee	Company Name	Position due to role with AEU
------------------	--------------	-------------------------------------

This information has been intentionally masked. Please refer to the statement on page v.

OPERATING REPORT (Continued)

ATTACHMENT B

DIRECTORSHIPS OF COMPANY OR A MEMBER OF A BOARD

Officer/Employee	Company Name	Principal Activities	Position due to role with AEU
Mary Bluett	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Pat Forward	National Centre for Vocational Education Research	Research in vocational education and training.	Yes
	National Skills Standards Council	To develop and maintain standards for the regulation of Vocational Education and Training for approval of the Ministerial council	Yes
	Australian Qualifications Framework Council	To provide strategic and authoritative advice to ministers of education and industry on the Australian Qualifications Framework.	Yes
Angelo Gavrielatos	Board Director of AITSL	The Australian Institute for Teaching and School Leadership (AITSL) promotes excellence in the profession of teaching and school leadership.	Yes
	Chairperson, Committee of Management, APHEDA	The overseas aid agency of the Australian Council of Trade Unions. It builds self-reliance through support to educational and training projects for workers and their organisations in Southeast Asia, the Pacific, the Middle East, Southern Africa and the Caribbean.	Yes
	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Anne Gisborne	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes

OPERATING REPORT (Continued)

ATTACHMENT B (Continued)

DIRECTORSHIPS OF COMPANY OR A MEMBER OF A BOARD

Officer/Employee	Company Name	Principal Activities	Position due to role with AEU
Susan Hopgood	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
	Catalyst Australia Inc	Not for profit policy network promoting social and economic equality and improved standards of corporate social responsibility	Yes
	ACTU Member Connect	Services company wholly owned by 16 unions and the ACTU which provides services to union members at preferential rates and financial savings to unions	Yes
Jack Major	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Graham Moloney	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Michelle Purdy	National VET Equity Advisory Council	To improve training and employment outcomes for those at risk of disadvantage in the national training system, by providing leadership for cultural and systemic change in vocational education and training (VET).	Yes
Henry Rajendra	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Darcel Russell	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes

OPERATING REPORT (Continued)

ATTACHMENT B (Continued)

DIRECTORSHIPS OF COMPANY OR A MEMBER OF A BOARD (Continued)

Officer/Employee	Company Name	Principal Activities	Position due to role with AEU
------------------	--------------	----------------------	-------------------------------------

Some information has been intentionally masked. Please refer to the statement on page v.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
<b>Revenue from continuing operations</b>	4	10,127,356	1,484,806
<b>Expenses</b>			
Administrative and other expenses	6	(449,176)	(99,865)
Affiliation fees and levies	7	(1,404,967)	(783)
Campaign and project expenses	8	(4,432,634)	-
Depreciation and amortisation		(17,091)	(3,336)
Employee related expenses	9	(2,656,277)	(649,007)
ITF allocation		(88,000)	(22,000)
Legal and professional fees	10	(28,928)	(14,000)
Meeting and conference expenses	11	(405,353)	(59,573)
Publications	12	(652,121)	(143,219)
VET Grant expenses		(100,000)	-
		<u>(10,234,547)</u>	<u>(991,783)</u>
<b>(Deficit) Surplus for the year</b>		<u>(107,191)</u>	<u>493,023</u>
<b>(Deficit) Surplus attributable to the members</b>		(107,191)	493,023
<b>Other comprehensive income</b>			
Changes in reserves		598,133	-
<b>Total comprehensive income for the year attributable to the members</b>		<u>490,942</u>	<u>493,023</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 2013**

	Notes	2013 \$	2012 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	13	9,810,083	8,887,736
Trade and other receivables	14	149,148	968,201
<b>Total current assets</b>		<u>9,959,231</u>	<u>9,855,937</u>
<b>Non-current assets</b>			
Available-for-sale financial assets	15	3,488,077	3,488,077
Property, plant and equipment	16	37,369	40,145
<b>Total non-current assets</b>		<u>3,525,446</u>	<u>3,528,222</u>
<b>Total assets</b>		<u>13,484,677</u>	<u>13,384,159</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	17	520,613	475,029
Provisions	18	1,820,725	1,658,600
<b>Total current liabilities</b>		<u>2,341,338</u>	<u>2,133,629</u>
<b>Total liabilities</b>		<u>2,341,338</u>	<u>2,133,629</u>
<b>Net assets</b>		<u>11,143,339</u>	<u>11,250,530</u>
<b>FUNDS</b>			
Reserves	19	3,231,535	3,829,668
General fund	20	7,911,804	7,420,862
<b>Total funds</b>		<u>11,143,339</u>	<u>11,250,530</u>

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



STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2013

	General Fund \$	Reserves \$	Total \$
<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	-	-	-
<b>Balance at 31 December 2012</b>	<u>7,420,862</u>	<u>3,829,668</u>	<u>11,250,530</u>
<b>Balance at 1 January 2013</b>	7,420,862	3,829,668	11,250,530
Total comprehensive income for the year	(107,191)	-	(107,191)
Revaluation of financial assets	-	-	-
Transfer from general fund	598,133	(598,133)	-
<b>Balance at 31 December 2013</b>	<u>7,911,804</u>	<u>3,231,535</u>	<u>11,143,339</u>

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

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2013

	Notes	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
<b>Cash flows from operating activities</b>			
Receipts of capitation fees and levies (inclusive of GST)	25(a)	8,524,775	1,576,794
Receipts of campaign contributions from branches (inclusive of GST)	25(b)	2,471,165	152,675
Sundry receipts		484,587	49,872
Payments to suppliers and employees (inclusive of GST)		(10,957,396)	(1,187,536)
Interest received		274,650	51,230
<b>Net cash inflow from operating activities</b>	25(c)	797,781	643,035
<b>Cash flows from investing activities</b>			
Payment for property, plant and equipment		(14,315)	-
<b>Net cash (outflow) from investing activities</b>		(14,315)	-
<b>Cash flows from financing activities</b>			
Repayment (advance) of borrowing		138,881	16,714
<b>Net cash inflow from financing activities</b>		138,881	16,714
<b>Net increase in cash and cash equivalents</b>		922,347	659,749
Cash and cash equivalents at beginning of financial year		8,887,736	8,227,987
<b>Cash and cash equivalents at end of financial year</b>	13(a)	9,810,083	8,887,736

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

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

---

### 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 period presented, unless otherwise stated.

The financial report includes the separate financial statements for the Australian Education Union - Federal Office (The AEU-Federal Office). The financial statements have been prepared on an accrual basis and in accordance with the historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is generally based on the fair values of the consideration given in exchange for assets. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position. The financial statements are presented in Australian dollars.

#### (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 (AASB) and the *Fair Work (Registered Organisation) Act 2009*. The AEU-Federal Office is a not-for-profit entity for the purpose of preparing the financial statements.

##### *Compliance with Australian Accounting Standards*

Australian Accounting Standards include Australian equivalents to International Financial Reporting Standards (AIFRS). Compliance with AIFRS ensures that the financial statements and notes comply with International Financial Reporting Standards (IFRS). A statement of compliance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) cannot be made due to the AEU-Federal Office applying not-for-profit specific requirements contained in the Australian Accounting Standards.

##### *Early adoption of standards*

No accounting standard has been adopted earlier than the application date stated in the standard.

##### *New and amended standards adopted by the AEU-Federal Office*

The AEU-Federal Office has applied the following standards and amendments for first time in their annual reporting period commencing 1 January 2013:

##### *AASB 13 Fair Value Measurement*

AASB 13 clarifies the definition of fair value and provides related guidance and enhanced disclosures about fair value measurements. It does not affect which items are required to be fair valued.

The scope of AASB 13 is broad and it applies for both financial and non-financial items for which other Australian Accounting Standards require or permit fair value measurements or disclosures about fair value measurements except in certain circumstances.

AASB 13 applies prospectively for annual periods beginning on or after 1 January 2013. Its disclosure requirements need not be applied to comparative information in the first year of application. The AEU-Federal Office has however included as comparative information the AASB 13 disclosures that were required previously by AASB 7 *Financial Instruments: Disclosures*.

The AEU-Federal Office has applied AASB 13 for the first time in the current year.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**1: Summary of significant accounting policies (Continued)**

**(a) Basis of preparation (Continued)**

*New and amended standards adopted by the AEU-Federal Office*

*Amendments to AASB 119 Employee Benefits*

The 2011 amendments to AASB 119 made a number of changes to the accounting for employee benefits, the most significant relating to defined benefit plans. The amendments:

- eliminate the 'corridor method' and requires the recognition of remeasurements (including actuarial gains and losses) arising in the reporting period in other comprehensive income;
- change the measurement and presentation of certain components of the defined benefit cost. The net amount in profit or loss is affected by the removal of the expected return on plan assets and interest cost components and their replacement by a net interest expense or income based on the net defined benefit asset or liability; and
- enhance disclosures, including more information about the characteristics of defined benefit plans and related risks.

These amendments have had no significant impact on the entity.

*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.

**(b) Taxation**

AEU-Federal Office is exempt from income tax under section 50.1 of the Income Tax Assessment Act 1997 however still has obligation for Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the cash flow statement on a gross basis. The GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office is classified within operating cash flows.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**1: Summary of significant accounting policies (Continued)**

**(c) 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 AEU-Federal Office 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:

*Affiliation and capitation fees and levies*

Affiliation and 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).

**(d) Cash and cash equivalents**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**1: Summary of significant accounting policies (Continued)**

**(e) Investment in other financial assets**

***Classification***

The AEU-Federal Office classifies its investments in the following categories: financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date. The AEU-Federal Office does not hold any investments in the following categories: financial assets at fair value through profit or loss and held-to-maturity investments.

***(i) Available-for-sale financial assets***

Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the balance sheet date.

***(ii) Loans and receivables***

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

***Recognition and derecognition***

Regular purchases and sales of investments are recognised on trade-date - the date on which the AEU-Federal Office commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the AEU-Federal Office has transferred substantially all the risks and rewards of ownership. Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method. Unrealised gains and losses arising from changes in the fair value of non monetary securities classified as available-for-sale are recognised in equity in the available-for-sale investments revaluation reserve. When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments are included in the income statement as gains and losses from investment securities.

***Fair value***

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

***Impairment***

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**1: Summary of significant accounting policies (Continued)**

**(f) Fair value estimation**

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 end of the reporting period. The quoted market price used for financial assets held by the entity is the current bid price.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining 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 year and which are unpaid. These amounts are unsecured and are usually paid within 30 days of recognition.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**1: Summary of significant accounting policies (Continued)**

**(i) 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 years 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.

**(j) 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.

**(k) Comparative figures**

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

**(l) 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.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**1: Summary of significant accounting policies (Continued)**

**(m) New accounting standards and interpretations**

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2013 reporting periods. The AEU-Federal Office's assessment of the impact of these new standards and interpretations is set out below:

(i) *AASB 9 Financial Instruments, AASB 2009-11 Amendments to Australian Accounting Standards arising from AASB 9, AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) (effective from 1 January 2017) and AASB 2010-10 Further Amendments to Australian Accounting Standards – Removal of Fixed Dates for First-time Adopters and AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures*

AASB 9 *Financial Instruments* addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2015 but is available for early adoption. When adopted, the standard will affect in particular the AEU-Federal Office's accounting for its available-for-sale financial assets, since AASB 9 only permits the recognition of fair value gains and losses in other comprehensive income if they relate to equity investments that are not held for trading. Fair value gains and losses on available-for-sale debt investments, for example, will therefore have to be recognised directly in profit or loss. This change will not impact the AEU-Federal Office as current accounting for gains and losses on available-for-sale financial assets is consistent with proposed changes.

There will be no impact on the AEU-Federal Office's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the AEU-Federal Office does not have any such liabilities. The derecognition rules have been transferred from AASB 139 *Financial Instruments: Recognition and Measurement* and have not been changed. The AEU-Federal Office has not yet decided when to adopt AASB 9.

(ii) *AASB 2011-4 Amendments to Australian Accounting Standards to Remove Individual Key Management Personnel Disclosure Requirements* (effective from 1 July 2013)

The Standard amends AASB 124 *Related Party Disclosures* to remove the individual key management personnel (KMP) disclosures required by Australian specific paragraphs. This amendment reflects the AASB's view that these disclosures are more in the nature of governance disclosures that are better dealt within the legislation, rather than by the accounting standards.

When these amendments are first adopted for the year ending 31 December 2014, they are unlikely to have any significant impact on the entity.

(iii) *AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities* (effective 1 January 2014)

AASB 2012-3 adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria of AASB 132, including clarifying the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

When AASB 2012-3 is first adopted for the year ended 31 December 2014, there will be no impact on the entity as this standard merely clarifies existing requirements in AASB 132.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**1: Summary of significant accounting policies (Continued)**

**(m) New accounting standards and interpretations (Continued)**

*(iv) AASB 2013-3 Recoverable Amount Disclosures for Non-Financial Assets (effective 1 January 2014)*

These narrow-scope amendments address disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal. When developing IFRS 13 *Fair Value Measurement*, the IASB decided to amend IAS 36 *Impairment of Assets* to require disclosures about the recoverable amount of impaired assets. The IASB noticed however that some of the amendments made in introducing those requirements resulted in the requirement being more broadly applicable than the IASB had intended. These amendments to IAS 36 therefore clarify the IASB's original intention that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. AASB 2013-3 makes the equivalent amendments to AASB 136 *Impairment of Assets*.

When these amendments are adopted for the first time on 1 January 2014, they are unlikely to have any significant impact on the entity given that they are largely of the nature of clarification of existing requirements.

*(v) AASB 2013-4 Amendments to Australian Accounting Standards – Novation of Derivatives and Continuation of Hedge Accounting (effective 1 January 2014)*

AASB 2013-4 makes amendments to AASB 139 *Financial Instruments: Recognition & Measurement* to permit the continuation of hedge accounting in circumstances where a derivative, which has been designated as a hedging instrument, is novated from one counterparty to a central counterparty as a consequence of laws or regulations.

This standard is not expected to impact the AEU-Federal Office.

*(vi) AASB 2013-5 Amendments to Australian Accounting Standards – Investment Entities (effective 1 January 2014)*

The amendments in AASB 2013-5 provide an exception to consolidation to investment entities and require them to measure unconsolidated subsidiaries at fair value through profit or loss in accordance with AASB 9 *Financial Instruments* (or AASB 139 *Financial Instruments: Recognition and Measurement* where AASB 9 has not yet been adopted). The amendments also introduce new disclosure requirements for investment entities that have subsidiaries. These amendments apply to investment entities, whose business purpose is to invest funds solely for returns from capital appreciation, investment income or both.

This standard is not expected to impact the AEU-Federal Office.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**1: Summary of significant accounting policies (Continued)**

**(m) New accounting standards and interpretations (Continued)**

**(vii) AASB Interpretation 21 *Levies* (effective 1 January 2014)**

Interpretation 21 addresses how an entity should account for liabilities to pay levies imposed by governments, other than income taxes, in its financial statements (in particular, when the entity should recognise a liability to pay a levy). Interpretation 21 is an interpretation of AASB 137 *Provisions, Contingent Liabilities and Contingent Assets*. AASB 137 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event (known as an obligating event). The Interpretation clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. For example, if the activity that triggers the payment of the levy is the generation of revenue in the current period and the calculation of that levy is based on the revenue that was generated in a previous period, the obligating event for that levy is the generation of revenue in the current period. The generation of revenue in the previous period is necessary, but not sufficient, to create a present obligation.

When this interpretation is adopted for the first time on 1 January 2014, there will be no significant impact on the financial statements as the entity is not subject any levies addressed by this interpretation.

**(viii) AASB 10 *Consolidated Financial Statements*, AASB 11 *Joint Arrangements*, AASB 12 *Disclosure of Interests in Other Entities*, revised AASB 127 *Separate Financial Statements* and AASB 128 *Investments in Associates and Joint Ventures* and AASB 2011-7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards* (effective 1 January 2014).**

In August 2012, the AASB issued a suite of five new and amended standards which address the accounting for joint arrangements, consolidated financial statements and associated disclosures. AASB 10 replaces all of the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements*, and Interpretation 12 *Consolidation – Special Purpose Entities*. The core principle that a consolidated entity presents a parent and its subsidiaries as if they are a single economic entity remains unchanged, as do the mechanics of consolidation.

Proposed changes will not have any impact on the AEU-Federal Office as the AEU-Federal Office does not have a material interest in other entities and is not a part of any joint arrangements.

There are no other standards that are not yet effective and that are expected to have a material impact on the AEU-Federal Office in the current or future reporting periods and on foreseeable future transactions.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**2: Critical accounting estimates and judgements**

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

**(a) Critical accounting estimates and assumptions**

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

**(b) Critical judgments in applying the AEU-Federal 's accounting policies**

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

*Employee entitlements*

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

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

**3: Section 272 Fair Work (Registered Organisations) Act 2009**

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) to (3) of sections 272, which read as follows:

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

(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 in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.

(3) a reporting unit must comply with an application made under subsection (1).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

4: Revenue

		1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
	Notes		
<b>From continuing operations</b>			
<i>Service revenue</i>			
Affiliation fees & other levies	a	1,352,694	-
Campaign contributions from branches	b	2,198,441	-
Capitation fees	c	5,114,092	1,173,845
Library income		66,459	16,762
Publication income	d	115,158	15,963
Publication levy	e	634,762	151,209
		<u>9,481,606</u>	<u>1,357,779</u>
<i>Other revenue</i>			
Interest		260,638	67,516
Rent		128,448	41,675
VET Grant		100,000	-
Donations		-	-
Financial support from another reporting unit		-	-
Sitting fees		23,933	5,336
ITF reimbursements		57,500	12,500
Other revenue		75,231	-
		<u>645,750</u>	<u>127,027</u>
		<u>10,127,356</u>	<u>1,484,806</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**4: Revenue (Continued)**

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

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
ACT Branch	24,259	-
NSW Branch	456,827	-
NT Branch	14,093	-
QLD Branch	253,369	-
SA Branch	98,752	-
TAS Branch	45,060	-
VIC Branch	354,366	-
SSTUWA for the WA Branch	105,968	-
	<u>1,352,694</u>	<u>-</u>

The affiliation fees income represents the reimbursement from branches for the ACTU & Education International Affiliations and the ACTU Campaign levy.

**(b) Campaign contributions from branches**

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
ACT Branch	20,380	-
NSW Branch	883,793	-
NT Branch	11,840	-
QLD Branch	394,700	-
SA Branch	162,965	-
TAS Branch	37,856	-
VIC Branch	497,881	-
SSTUWA for the WA Branch	189,026	-
	<u>2,198,441</u>	<u>-</u>

These contribution from branches are for the National Public Education Campaign.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**4: Revenue (Continued)**

**(c) Capitation fees**

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
ACT Branch	89,202	19,768
NSW Branch	1,679,803	384,518
NT Branch	51,821	12,306
QLD Branch	1,071,017	249,556
SA Branch	363,123	85,852
TAS Branch	165,692	39,573
VIC Branch	1,303,779	292,094
SSTUWA for the WA Branch	389,655	90,178
	<u>5,114,092</u>	<u>1,173,845</u>

**(d) Publication income**

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
Australian Educator	86,632	15,963
TAFE Teacher	28,526	-
	<u>115,158</u>	<u>15,963</u>

**(e) Publication levy**

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
ACT Branch	11,072	2,546
NSW Branch	208,497	49,532
NT Branch	6,432	1,585
QLD Branch	132,935	32,147
SA Branch	45,071	11,059
TAS Branch	20,566	5,098
VIC Branch	161,825	37,626
SSTUWA for the WA Branch	48,364	11,616
	<u>634,762</u>	<u>151,209</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**5: Expenses**

1 Jan 13	1 Oct 12
to	to
31 Dec 13	31 Dec 12
\$	\$

The (deficit) surplus for the year includes the following specific expenses:

*Depreciation of non-current assets*

Office equipment	11,981	2,058
Furniture, fixtures and fittings	5,110	1,278
	<u>17,091</u>	<u>3,336</u>

**6: Administration and other expenses**

1 Jan 13	1 Oct 12
to	to
31 Dec 13	31 Dec 12
\$	\$

Occupancy costs	118,372	49,210
Consideration to employers for payroll deductions	-	-
Donations & grants	52,030	660
Library	29,380	4,022
Other expenses	249,394	45,973
Penalties - via RO Act or RO Regulations	-	-
	<u>449,176</u>	<u>99,865</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**7: Affiliation fees & levies**

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
<i>Affiliation fees</i>		
ACOSS	1,815	578
ACSA	209	205
ACTU	649,403	-
APHEDA	6,655	-
ATEA	136	-
Australian Anti-Base campaign	382	-
Australian Association for Res	180	-
Australian Institute Employment Right	3,000	-
AVETRA	146	-
AYPPN	150	-
Education International	362,997	-
International Peace Bureau	213	-
National Education Forum	210	-
SNAICC	109	-
The Refugee Council of Australia	400	-
<i>Compulsory levies</i>		
ACTU – campaign levy	378,962	-
	<u>1,404,967</u>	<u>783</u>

**8: Campaign and project expenses**

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
Public education campaigns	4,396,574	-
Research project and other campaigns	36,060	-
	<u>4,432,634</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

**9: Employee related expenses**

	Note	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
<b>Holders of office:</b>			
Wages and salaries		1,373,324	372,413
Superannuation		181,948	44,315
Leave and other entitlements		58,344	(76,859)
Separation and redundancies		-	-
Other employee expenses		29,429	9,337
		<u>1,643,045</u>	<u>349,206</u>
<b>Employees other than holders of office:</b>			
Wages and salaries		675,513	179,744
Superannuation		123,871	22,850
Leave and other entitlements		63,162	11,072
Separation and redundancies		-	-
Other employee expenses		-	-
		<u>862,546</u>	<u>213,666</u>
<b>Other</b>	<b>a</b>	<u>150,686</u>	<u>86,135</u>
<b>Total employee expenses</b>		<u><u>2,656,277</u></u>	<u><u>649,007</u></u>

a. Other expenses primarily comprise of payroll tax, fringe benefit tax and workcover.

**10: Legal and professional fees**

		1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
Audit of the financial report		28,000	14,000
Legal fees			
- litigation		-	-
- other matters		928	-
		<u>28,928</u>	<u>14,000</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**11: Meeting and conference expenses**

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
Meeting allowances	120,729	18,959
Other meeting expenses	<u>284,624</u>	<u>40,614</u>
	<u>405,353</u>	<u>59,573</u>

**12: Publications**

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
Australian Educator	571,565	142,884
TAFE Teacher	<u>80,556</u>	<u>335</u>
	<u>652,121</u>	<u>143,219</u>

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

	2013 \$	2012 \$
Cash on hand	3,661	3,661
Cash at bank	3,621,079	2,945,252
Deposits at call	<u>6,185,343</u>	<u>5,938,823</u>
	<u>9,810,083</u>	<u>8,887,736</u>

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

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

Balances as above	<u>9,810,083</u>	<u>8,887,736</u>
Balances per statement of cash flows	<u>9,810,083</u>	<u>8,887,736</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

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

	2013 \$	2012 \$
<i>Receivable from other reporting units</i>		
ACT Branch	-	2,586
NSW Branch	10,687	763,366
NT Branch	-	1,243
TAS Branch	381	-
	<u>11,068</u>	<u>767,195</u>
Less provision for impairment of receivables	-	-
	<u>11,068</u>	<u>767,195</u>
<i>Others</i>		
Prepayments	51,985	89,510
Due from the FEU Unit trust	18,725	7,642
Other receivables	67,370	103,854
	<u>149,148</u>	<u>968,201</u>

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

	2013 \$	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 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>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

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

	2013 \$	2012 \$
<b>Plant and equipment</b>		
Office equipment		
At cost	88,961	74,646
Less accumulated depreciation	<u>(63,608)</u>	<u>(51,627)</u>
	<u>25,353</u>	<u>23,019</u>
 Furniture, fixtures and fittings		
At cost	51,103	51,103
Less accumulated depreciation	<u>(39,087)</u>	<u>(33,977)</u>
	<u>12,016</u>	<u>17,126</u>
 <b>Total property, plant and equipment</b>	<u><b>37,369</b></u>	<u><b>40,145</b></u>

**(a) Non-current assets pledged as security**

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

**(b) Movements in carrying amounts**

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the year:

	Office equipment	Furniture, fittings and fixtures	Total
2012	\$	\$	\$
Opening net book amount	25,077	18,404	43,481
Depreciation	<u>(2,058)</u>	<u>(1,278)</u>	<u>(3,336)</u>
Closing net book amount	<u>23,019</u>	<u>17,126</u>	<u>40,145</u>
 2013			
	\$	\$	\$
Opening net book amount	23,019	17,126	40,145
Addition	14,315	-	14,315
Depreciation	<u>(11,981)</u>	<u>(5,110)</u>	<u>(17,091)</u>
Closing net book amount	<u>25,353</u>	<u>12,016</u>	<u>37,369</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

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

	2013 \$	2012 \$
<i>Unsecured:</i>		
Trade creditors	116,516	255,746
Legal cost payables	-	-
Amount payables to other reporting units	-	-
Consideration to employers for payroll deductions	-	-
Funding in advance	-	100,000
Amount due to ITF	154,974	16,092
Net GST owed	171,673	64,105
Other payables and accruals	77,450	39,086
	<u>520,613</u>	<u>475,029</u>

**18: Current liabilities – Provisions**

	2013 \$	2012 \$
<b>Holders of office:</b>		
Annual leave	498,121	474,906
Long service leave	707,584	631,835
Separations and redundancies	-	-
Other	-	-
	<u>1,205,705</u>	<u>1,106,741</u>
<b>Employees other than holders of office:</b>		
Annual leave	181,038	153,404
Long service leave	367,107	331,580
Separations and redundancies	-	-
Other	-	-
	<u>548,145</u>	<u>484,984</u>
<b>Other provision</b>	<u>66,875</u>	<u>66,875</u>
<b>Total provision</b>	<u>1,820,725</u>	<u>1,658,600</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

**18: 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 2012	1,657,512	66,875	1,724,387
Charged to income statement	(65,787)	-	(65,787)
Balance at 31 December 2012	1,591,725	66,875	1,658,600
Charged to income statement	162,125	-	162,125
Balance at 31 December 2013	1,753,850	66,875	1,820,725

**19: Reserves**

	2013 \$	2012 \$
Public education campaign reserve	(a) 1,129,285	1,727,418
Workers rights campaign reserve	(b) 273,352	273,352
Available for sale investments revaluation reserve	(c) 1,714,698	1,714,698
Allocated funds reserve	(d) 114,200	114,200
	<u>3,231,535</u>	<u>3,829,668</u>

**(a) Public education campaign reserve**

	2013 \$	2012 \$
Movements during the financial year:		
Opening balance	1,727,418	1,727,418
Funds received (note 4)	2,198,441	-
Funds allocated from general fund	1,600,000	-
	<u>5,525,859</u>	-
Funds spent (note 8)	(4,396,574)	-
Funds transferred	-	-
Closing balance	<u>1,129,285</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 YEAR ENDED 31 DECEMBER 2013

---

**19: Reserves (Continued)**

**(b) Workers rights campaign reserve**

	2013 \$	2012 \$
Movements during the financial year:		
<i>Opening balance</i>	<b>273,352</b>	273,352
Funds received	-	-
Funds allocated	-	-
Funds spent	-	-
Funds transferred	-	-
<i>Closing balance</i>	<b><u>273,352</u></b>	<u>273,352</u>

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

**(c) Available for sale investment revaluation reserve**

	2013 \$	2012 \$
<i>Movements during the financial year:</i>		
Opening balance	1,714,698	1,714,698
Revaluation	-	-
Closing balance	<b><u>1,714,698</u></b>	<u>1,714,698</u>

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

**(d) Allocated funds reserve**

	2013 \$	2012 \$
Movements during the financial year:		
<i>Opening balance</i>	<b>114,200</b>	114,200
Funds allocated	-	-
Funds transferred	-	-
Funds spent	-	-
Funds transferred	-	-
<i>Closing balance</i>	<b><u>114,200</u></b>	<u>114,200</u>

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



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**20: General funds**

	2013 \$	2012 \$
<i>Movements in the general funds were as follows:</i>		
Opening balance	7,420,862	6,927,839
Net (deficit) surplus for the year	(107,191)	493,023
Transfer to reserves	598,133	-
Ending balance	<u>7,911,804</u>	<u>7,420,862</u>

Apart from those recorded in the financial statements, no specific funds or accounts have been operated as part of the Federal Fund in respect of compulsory levies or voluntary contributions (Refer Note 28).

**21: 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.

	2013 \$	2012 \$
Bank autopay facility	<u>30,000</u>	<u>30,000</u>

There are no other known contingent assets or liabilities at 31 December 2013.

**22: Commitments**

	2013 \$	2012 \$
<i>Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:</i>		
Within one year	36,696	36,696
Later than one year but no later than five years	<u>107,030</u>	<u>143,726</u>
	<u>143,726</u>	<u>180,422</u>

*General description of leasing arrangement:*

Leases are for photocopiers and postage meters.

**23: Events occurring after reporting date**

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**24: Related party transactions**

**(a) Key management personnel**

**Members of Executive**

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

**Federal Executive from 1 March 2012**

<i><b>Name</b></i>	<i><b>Position</b></i>	<i><b>Name</b></i>	<i><b>Position</b></i>
Mary Bluett (until 24 Feb 2013 when resigned)	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 **	General Division
Angelo Gavrielatos **	Federal President	David Smith (elected 9 April 2013)	General Division
	General Division	Anne Gisborne **	General Division
Correna Haythorpe (to 4 Feb 2013 from 25 Feb 2013)**	General Division	Brian Henderson (until 11 April 2013 when resigned)	General Division
	Deputy Federal President		
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	Justin Mullaly (from 3 May 2013)	General Division

\*\* members of Finance Committee

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

Susan Hopgood  
Pat Forward  
Darcel Russell

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**24: Related party transactions**

**(a) Key management personnel (Continued)**

*(iii) Key management personnel remuneration*

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
Short-term employee benefits		
Salary (including annual leave taken)	1,373,324	372,413
Annual leave accrued	23,215	(58,996)
<b>Total short-term employee benefits</b>	<b>1,396,539</b>	<b>313,417</b>
<b>Post-employment benefits:</b>		
Superannuation	181,948	44,315
<b>Total post-employment benefits</b>	<b>181,948</b>	<b>44,315</b>
<b>Other long-term benefits:</b>		
Long-service leave	35,129	(17,863)
<b>Total other long-term benefits</b>	<b>35,129</b>	<b>(17,863)</b>
<b>Termination benefits</b>	<b>-</b>	<b>-</b>
	<b>-</b>	<b>-</b>
<b>Total</b>	<b>1,613,616</b>	<b>339,869</b>

(iv) There were no loans between the key management personnel or the committee of management and the AEU-Federal Office.

(v) There were no transactions between key management personnel or the committee of management and the AEU-Federal Office other than those relating to their membership of the AEU-Federal Office and reimbursement by the AEU-Federal Office in respect of expenses incurred by them in the performance of their duties. Such transactions have been on conditions no more favourable than those which is reasonable to expect would have been adopted by parties at arm's length.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**24: 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 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
<i>Administration fees received</i>		
From the Australian Education Union International Trust Fund	57,500	12,500
<i>Rent received</i>		
From the Federation of Education Unions Unit trust	128,448	41,675
<i>Purchases of goods and services:</i>		
<i>Outgoings paid</i>		
To the Federation of Education Unions Unit trust	118,372	49,210
<i>Superannuation contributions</i>		
Defined contribution superannuation contributions on behalf of employees	305,819	67,165

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

These balances are disclosed in the "Trade receivables" and "Trade payables" notes to the accounts. No provision for impairment has been raised in relation to any of these outstanding balances and no expense has been recognised in respect of bad or doubtful debts due from related parties.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**25: Cash flow information**

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

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
ACT Branch	136,986	24,545
NSW Branch	3,292,713	477,455
NT Branch	79,580	17,426
QLD Branch	1,603,054	353,394
SA Branch	557,641	106,603
TAS Branch	254,449	56,039
VIC Branch	2,001,967	413,632
SSTUWA for the WA Branch	598,385	127,700
	<u>8,524,775</u>	<u>1,576,794</u>

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

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
ACT Branch	25,004	2,585
NSW Branch	1,022,466	-
NT Branch	13,024	1,610
QLD Branch	434,170	32,641
SA Branch	179,262	22,458
TAS Branch	41,642	5,176
VIC Branch	547,669	76,410
SSTUWA for the WA Branch	207,928	11,795
	<u>2,417,165</u>	<u>152,675</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

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

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
(c) Reconciliation of cash flow from operations with the (deficit) surplus for the year		
(Deficit) Surplus for the year	(107,191)	493,023
<i>Non-cash flows in (deficit) surplus</i>		
Depreciation	17,091	3,336
Write-back of bad debts provisions	(10,000)	-
<i>Changes in assets and liabilities</i>		
Decrease (Increase) in trade and other receivables	829,053	561,162
(Decrease) Increase in payables	(93,297)	(348,699)
(Decrease) Increase in provisions	162,125	(65,787)
Cash flows from operations	<u>797,781</u>	<u>643,035</u>

**26: Wage recovery activities**

All wage recovery activity has resulted in payments being made directly to members by employers. The AEU-Federal Office has not derived any revenue in respect of these activities.

**27: Other information**

*(i) Going Concern*

The AEU-Federal Office's ability to continue as a going concern is not reliant on financial support from another reporting unit.

*(ii) Financial Support*

No financial support has been provided to another reporting unit to ensure that it continues as a going concern.

*(iii) Acquisition of assets and liability under specific sections:*

The entity did not acquire any asset or a liability during the financial year as a result of:

- an amalgamation under part 2 of Chapter 3, of the RO Act;
- a restructure of the Branches of the organisation;
- a determination by the General Manager under s245(1) of the RO Act;
- a revocation by the General Manager under s249(1) of the RO Act;

*(iv) Acquisition of assets and liability as part of a business combination:*

If assets and liabilities were acquired during the financial year as part of a business combination, the requirement of the Australian Accounting Standards will be complied with. No such acquisition has occurred during the financial year.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

**28: International Trust Fund**

In addition to the Federal Fund established under Rule 61 and to which these financial statements relate, the following separate funds have been established by the Rules:

1. Branch Funds established by Rule 62  
(each branch prepares and lodges its own financial statements with FWC)
2. International Trust Fund (ITF) established by Rule 67  
(the ITF, being a fund separate from the Federal Fund prepares its own financial statements which are published on the AEU website)

In terms of Rule 67 (3), the objects of the International Trust Fund shall be:-

- a) To promote the exchange of information and understanding between teachers and their organisations in Australia and in other countries;
- b) To promote the development of united and effective teachers' organisations throughout the world and to assist them in times of crisis;
- c) To further the development of education and the professional development of teachers;
- d) To seek the extension of educational opportunities to all children in the world; and
- e) To promote peace, international co-operation and understanding and respect of human rights

A summary of the financial statements of the ITF is presented below:

	Note	2013 \$	2012 \$
<b>Summarised balance sheet</b>			
Current assets		1,514,571	1,364,670
Non-current assets		1,257,839	1,199,656
<b>Total assets</b>		<b>2,772,410</b>	<b>2,564,326</b>
<b>Current liabilities</b>		<b>221,910</b>	<b>156,466</b>
<b>Total liabilities</b>		<b>221,910</b>	<b>156,466</b>
<b>Net assets</b>		<b>2,550,500</b>	<b>2,407,860</b>
		1 Jan 2013	1 Oct 2012
		To	To
		31 Dec	31 Dec
		2013	2012
		\$	\$
<b>Summarised income and expenditure statement</b>			
<b>REVENUE</b>			
Contributions	a	673,018	22,000
Investment income		84,357	21,773
<b>TOTAL REVENUE</b>		<b>757,375</b>	<b>43,773</b>
<b>TOTAL EXPENDITURE</b>		<b>614,735</b>	<b>18,180</b>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>		<b>142,640</b>	<b>25,593</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**28: International Trust Fund (Continued)**

	1 Jan 2013 To 31 Dec 2013 \$	1 Oct 2012 To 31 Dec 2012 \$
Summarised cash flows		
Net cash inflow from operating activities	167,356	55,482
Net cash (outflow) from financing activities	<u>(138,883)</u>	<u>(16,714)</u>
Net increase in cash and cash equivalents	<u>28,473</u>	<u>38,768</u>
(a) Contributions		
	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
ACT Branch	11,000	-
NSW Branch	150,000	-
Federal Fund	88,000	22,000
NT Branch	8,021	-
QLD Branch	80,000	-
SA Branch	55,000	-
TAS Branch	14,000	-
VIC Branch	192,000	-
SSTUWA for the WA Branch	74,997	-
	<u>673,018</u>	<u>22,000</u>



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**29: Financial risk management**

The entity's activities expose it to a variety of financial risks: market risk (including fair value interest rate risk and price risk), credit risk, liquidity risk and cash flow interest rate risk. The entity's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the entity. The entity uses different methods to measure different types of risk to which it is exposed. These methods include sensitivity analysis in the case of interest rate, other price risks and aging analysis for credit risk.

Risk management is carried out by management under policies approved by Committee of Management. The Committee of Management identifies, evaluates and hedges financial risks as part of regular meetings. This identification and analysis includes an analysis of interest rate exposure and the evaluation of strategies in the context of most recent economic conditions.

**(a) Market risk**

*(i) Foreign exchange risk*

The entity is not exposed to foreign exchange risk.

*(ii) Price risk*

The entity is exposed to equity securities price and commodity price risk.

*(iii) Cash flow and fair value interest rate risk*

The AEU-Federal Office has no borrowings and is therefore not exposed to interest rate risk on liabilities. The AEU-Federal Office has investments in a variety of interest-bearing assets and the AEU-Federal Office's income and operating cash flows are exposed to changes in market interest rates for assets.

**Sensitivity analysis**

As at 31 December 2013 the effect on the surplus as a result of changes in interest rates, with all other variables remaining constant, would be as follows:

	2013	2012
<i>Effect on results:</i>	\$	\$
Increase of interest rates by 2%	5,212	1,350
Decrease of interest rates by 2%	(5,212)	(1,350)

**(b) Credit risk**

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions. Cash transactions are limited to high credit quality financial institutions. Currently the investments are held in Australian banks.

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

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

The credit quality of financial assets can be assessed by reference to external credit ratings as follows:

	2013	2012
	\$	\$
Cash at bank		
AA Rating	3,621,079	2,945,252
Deposits at call		
AA Rating	6,185,343	5,938,823

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

29: Financial risk management (Continued)

(c) Liquidity risk

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

*Maturity profile of financial instruments*

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

2013

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash on hand		-	-	-	-	-	3,661	3,661
Cash at bank	2	3,621,079	-	-	-	-	-	3,621,079
Deposits at bank		-	6,185,343	-	-	-	-	6,185,343
Other receivables		-	-	-	-	-	97,163	97,163
Available for sale financial assets		-	-	-	-	-	3,488,077	3,488,077
		<u>3,621,079</u>	<u>6,185,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,588,901</u>	<u>13,395,323</u>
<b>Financial Liabilities</b>								
Other payables		-	-	-	-	-	520,613	520,613
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>520,613</u>	<u>520,613</u>
<b>Net Financial Assets</b>		<u>3,621,079</u>	<u>6,185,343</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,068,288</u>	<u>12,874,710</u>

2012

	Weighted Average Interest rate %	Floating Interest rate \$	1 year or less \$	1 to 2 years \$	2 to 5 years \$	Over 5 years \$	Non Interest bearing \$	Total \$
<b>Financial Assets</b>								
Cash on hand		-	-	-	-	-	3,661	3,661
Cash at bank	3	2,945,252	-	-	-	-	-	2,945,252
Deposits at bank		-	5,938,823	-	-	-	-	5,938,823
Other receivables		-	-	-	-	-	878,691	878,691
Available for sale financial assets		-	-	-	-	-	3,488,077	3,488,077
		<u>2,945,252</u>	<u>5,938,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,370,429</u>	<u>13,254,504</u>
<b>Financial Liabilities</b>								
Other payables	-	-	-	-	-	-	375,029	375,029
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>375,029</u>	<u>375,029</u>
<b>Net Financial Assets</b>		<u>2,945,252</u>	<u>5,938,823</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,995,400</u>	<u>12,879,475</u>

(d) Offsetting financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The AEU-Federal Office does not presently have such arrangement in place.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

### 30: Fair value measurement

The entity measures and recognises the following assets and liabilities at fair value on a recurring basis:

- Available-for-sale financial assets

The entity has also measured assets and liabilities at fair value on a non-recurring basis as a result of the reclassification of assets as held for sale.

#### (a) Fair value hierarchy

AASB 13 requires disclosure of fair value measurements by level of the following fair value measurement hierarchy:

- a) quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
- b) inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (level 2), and
- c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (level 3).

#### (i) Recognised fair value measurements

The following table presents the entity's assets and liabilities measured and recognised at fair value at 31 December 2013. Comparative information for non-financial assets has not been provided as permitted by the transitional provisions of the new rules.

	Level 1		Level 2		Level 3		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
	\$		\$		\$		\$	
<b>Assets</b>								
Available-for-sale financial assets	-	-	-	-	3,488,077	3,488,077	3,488,077	3,488,077
Financial assets through profit and loss	-	-	-	-	-	-	-	-
<b>Total assets</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,488,077</u>	<u>3,488,077</u>	<u>3,488,077</u>	<u>3,488,077</u>

There were no transfers between Level 1, Level 2 and Level 3 in 2013 or 2012.

The entity also has a number of assets and liabilities which are not measured at fair value, but for which fair values are disclosed in the notes.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

**30: Fair value measurement (Continued)**

**(b) Valuation techniques used to derive level 2 and level 3 fair values**

*(i) Recurring fair value measurements*

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

Specific valuation techniques used to value financial instruments include:

- The use of quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

*(ii) Non-recurring fair value measurements*

The entity does not have assets in this category.

**(c) Fair value measurements using significant unobservable inputs (level 3)**

The following table presents the changes in level 3 items for the periods ended 31 December 2013 and 2012 for recurring fair value measurements:

	2013 \$	2012 \$
Opening balance	3,488,077	3,488,077
Transfer from other levels	-	-
Gains/(losses) recognised in other comprehensive income	-	-
Closing balance	<u>3,488,077</u>	<u>3,488,077</u>
Unrealised gains or (losses) recognised in profit or loss attributable to assets held at the end of the reporting period (included in gains/(losses) recognised in other income)	<u>-</u>	<u>-</u>

## COMMITTEE OF MANAGEMENT STATEMENT

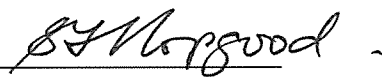
---


On 20<sup>th</sup> Feb 2014, the Committee of Management of the Australian Education Union - Federal Office passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2013:

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;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year 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 a branch concerned; and
  - b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
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 20<sup>th</sup> February 2014  


## 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 2013, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the Committee of Management Statement.

### Committee of Management 's responsibility for the financial report

The Committee of Management is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Fair Work (Registered Organisations) Act 2009, and for such internal control as the Committee of Management determines as 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.

All correspondence to

PO Box 6094  
St Kilda Road Central  
MELBOURNE VIC 8008E [bgl@bglpartners.com.au](mailto:bgl@bglpartners.com.au)

T (03) 9525 2511

F (03) 9525 2829

W [bglpartners.com.au](http://bglpartners.com.au)

ABN 96 006 935 459

## 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 of Australian Education Union – Federal Office presents fairly, in all material respects, the financial position of Australian Education Union – Federal Office as at 31 December 2013 and the results of its operations, its changes in equity and cash flows for the year then ended, in accordance with any of the following that apply to the entity:
  - a) the Australian Accounting Standards; and
  - b) any other requirements imposed by the Reporting Guidelines or Part 3 of Chapter 8 of the *Fair Work (Registered Organisations) Act 2009*.
- the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.



BGL Partners  
Chartered Accountants



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

Approved auditor

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

21 February 2014  
Melbourne

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

**CONCISE FINANCIAL REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2013**



**Australian Education Union**

*Federal Office:*

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

*Federal Secretary: Susan Hopgood*

*Federal President: Angelo Gavrielatos*

*Telephone: 61 3 9693 1800*

*Facsimile: 61 3 9693 1805*

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



## TABLE OF CONTENTS

Discussion and analysis of the financial report	i
Operating Report	ii - x
Financial Report	
Statement of comprehensive income	1
Balance sheet	2
Statement of changes in funds	3
Statement of cash flows	4
Notes to the financial statements	5 – 8
Committee of management statement	9
Independent auditor's report	10

### Relationship of the concise financial report to the full financial reports

The financial report is an extract from the full financial report for the year ended 31 December 2013. The financial statements and specific disclosures included in the concise financial report have been derived from the full financial report. These concise financial statements cover the Australian Education Union - Federal Office as an individual entity.

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

The full financial report and auditor's report will be sent to members on request, free of charge. Please contact the Australian Education Union - Federal Office and a copy will be forwarded to you.

The committee of management has resolved on 21<sup>st</sup> of February 2014 that this concise report be provided in accordance with s265 (2) of the Fair Work (Registered Organisations) Act 2009.

## **DISCUSSION AND ANALYSIS OF THE 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 year ended 31 December 2013 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 2013 financial report of the Australian Education Union - Federal Office. Whilst the financial report is for the year ended 31 December 2013, the comparative period covers the three month period ended 31 December 2012.

### **Statement of Comprehensive Income**

The deficit attributable to members for the year was \$107,191 compared with a \$493,023 surplus for the three-month period ended 31 December 2012. This deficit is mainly due to expenditure on campaigns and projects which have partly been financed out of reserves built up in previous years.

### **Balance Sheet**

Total assets increased by 0.75% or \$100,518 from \$13,384,159 at 31 December 2012 to \$13,484,677 at 31 December 2013 mainly due to an increase in cash on hand. Total liabilities increased by \$207,709 or 9.7% from \$2,133,629 at 31 December 2012 to \$2,341,338 at 31 December 2013. The increase in liabilities was primarily due to an increase in provisions for employee entitlements.


The net result was an overall decrease in members' funds of \$107,191. Within the reserves, there was release from the Public Education Campaign Reserve of \$ 598,133 to General Fund reflecting the net amount spent during the year that was financed from previous years for this purpose.

### **Statement of Cash Flows**

Net cash inflows from operations increased by \$ 154,746 from \$ 643,035 in December 2012 to \$ 797,781 in December 2013. The increase is partly due to the 31 December 2012 inflows only being for a three month period..

Overall cash balances increased by \$922,347 from 31 December 2012, with cash on hand and at bank at 31 December 2013 being \$ 9,810,083 (2012: \$8,887,736).

Signed in accordance with a resolution of the Committee of Management

Designated Officer   
Susan Hopgood – Federal Secretary

Dated this 20 February 2014



## **OPERATING REPORT**

The Federal Executive presents their report on the Australian Education Union - Federal Office (The AEU-Federal Office) for the financial year ended 31 December 2013.

### **Members of executive**

The Federal Executive is elected for a two-year term commencing on 1 March and ending two years later at the end of February.

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

#### **Federal Executive from 1 March 2012**

<i><b>Name</b></i>	<i><b>Position</b></i>	<i><b>Name</b></i>	<i><b>Position</b></i>
Mary Bluett (until 24 Feb 2013 when resigned)	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 **	General Division
Angelo Gavrielatos **	Federal President	David Smith (elected 9 April 2013)	General Division
	General Division	Anne Gisborne **	General Division
Correna Haythorpe (to 24 Feb 2013 )	General Division	Brian Henderson (until 11 April 2013 when resigned)	General Division
( from 25 Feb 2013)**	Deputy Federal President		
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	Justin Mullaly (from 3 May 2013)	General Division

\*\* members of Finance Committee

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

## **OPERATING REPORT (Continued)**

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

The AEU-Federal Office changed its year end last year from 30 September to 31 December. This has resulted in the current year covering a 12 month period from 1 January 2013 to 31 December 2013 whereas the comparatives covering a 3 month period 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 year.

### **Review of principal activities and results of operations**

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

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

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

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

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

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

In relation to the first objective, the AEU *give a Gonski* campaign at the national, state and school community level focussed on getting community and government support for the replacement of the existing inequitable federal schools funding model by a new funding model based on the findings of the Gonski Schools Funding review Panel, i.e. funding all schools to the resource standard necessary for every student to be given the opportunity to succeed regardless of their family background or circumstances. The AEU campaigned hard for the election of a federal government which would commit to and honour a better education for all Australian children.

In the face of the increasing privatisation of TAFE, the *Stop TAFE Cuts* campaign was initiated by the AEU. Campaigning focussed on the House of Representatives inquiry into TAFE. The AEU worked closely with the ACTU to maximise broader union participation and the number of submissions to this inquiry. As part of building the campaign, and in order to maximise the profile of the inquiry, we nominated 3 June National TAFE Day and activities were held in TAFE campuses around the country.

The union has campaigned in support of the significantly increased investment in the Early Childhood sector by the Labor Government which resulted in increased access and participation and a new national system of regulation. The AEU recognises the urgency associated with the need to increase access and participation of Aboriginal and Torres Strait Islander children in early childhood education.

## **OPERATING REPORT (Continued)**

### **Review of principal activities and results of operations (continued)**

The union has worked with members, Branches and employing authorities to improve the status of the profession in all sectors, through advocacy and support for the Professional Standards for Teachers, introduction of professional qualifications for TAFE Teachers and Early Childhood teachers as well as further recognition through improved remuneration for teachers and education workers, improved working conditions and representation on various professional bodies such as AITSL and the Australian Qualifications Framework Council.

The AEU has, in conjunction with the ACTU and the broader trade union movement made various submissions to Inquiries in relation to the industrial relations legislation.

### **Results of activities**

During the financial year, the AEU has successfully campaigned for increased Government funding to public schools and the passage of the Australian Education Act which introduced a new and fair model of funding for schools based on the needs of our students as well as increased funding for public schools. Members of the AEU, parents and community members gave their support and commitment to securing extra Gonski funding for every school and for every child.

Despite the election of a federal government which does not share our commitment, together with parents and the broader community, our unprecedented effort on behalf of their children and their schools has ensured that a fairer funding deal for schools remains firmly on the agenda. The impact of our high profile Gonski Campaign was enormous. The strength of public support for the *I Give a Gonski* schools funding campaign forced the last-minute announcement from the Coalition during the election to "match" Labor's funding commitment.

The AEU's *Stop TAFE Cuts* campaign has successfully built a strong presence on social media, and the *Do Your Block* activity held across the country from 11 – 17 November saw the distribution of over 100,000 leaflets and letters. We have been successful in engaging a broad cross section of the Australian community in the campaign, including a number of students groups who have been very keen to engage with us. The House of Representatives Inquiry into TAFE received more than 1,000 submissions and the AEU appeared at one of the two public hearings.

The AEU successfully completed a research project with the University of Melbourne, in partnership with Holmesglen TAFE and Canberra Institute of Technology investigating specialised VET pedagogy. This project has raised awareness of, and contributed to support for specialised TAFE teacher qualifications and improvements to the status of the profession.

Throughout the financial year the AEU has successfully enhanced and supported 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.

The AEU federal office has coordinated, researched and informed Branches on matters relating to industrial matters including support for salaries and conditions which have resulted in increased salaries and improved conditions across the country.

## 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 year 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 employees includes both full-time employees and part-time employees measured on a full-time equivalent basis at 31 December 2013 was 20 (31 December 2012: 20)

The number of members across 8 branches at 31 December 2013 was 193,532 (31 December 2012: 197,117).

#### 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.

#### Directorships of Superannuation Funds

See Attachment A

The AEU is obliged to provide information concerning officers, employees and/or members who are on Superannuation boards, directors of companies or members of boards.

This information has been masked where these positions are not held because of their position in the organisation. However any AEU member has a right to this information and will be provided it upon request to the AEU Federal Secretary at [federalsecretary@aeufederal.org.au](mailto:federalsecretary@aeufederal.org.au)

#### Directorships of company or a member of a board

See Attachment B

The AEU is obliged to provide information concerning officers, employees and/or members who are on Superannuation boards, directors of companies or members of boards.

This information has been masked where these positions are not held because of their position in the organisation. However any AEU member has a right to this information and will be provided it upon request to the AEU Federal Secretary at [federalsecretary@aeufederal.org.au](mailto:federalsecretary@aeufederal.org.au)

Signed in accordance with a resolution of the Federal Executive:

Signature of designated officer:



Name of designated officer:

Susan Hopgood

Title of designated officer:

Federal Secretary

Date:

20 / 2 / 2014

OPERATING REPORT (Continued)

ATTACHMENT A

DIRECTORSHIPS OF SUPERANNUATION FUNDS

Officer/Employee	Company Name/ Position	Position due to role with AEU
------------------	------------------------	-------------------------------------

This information has been intentionally masked. Please refer to the statement on page vi.



OPERATING REPORT (Continued)

ATTACHMENT B

DIRECTORSHIPS OF COMPANY OR A MEMBER OF A BOARD

Officer/Employee	Company Name	Principal Activities	Position due to role with AEU
Mary Bluett	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Pat Forward	National Centre for Vocational Education Research	Research in vocational education and training.	Yes
	National Skills Standards Council	To develop and maintain standards for the regulation of Vocational Education and Training for approval of the Ministerial council	Yes
	Australian Qualifications Framework Council	To provide strategic and authoritative advice to ministers of education and industry on the Australian Qualifications Framework.	Yes
Angelo Gavrielatos	Board Director of AITSL	The Australian Institute for Teaching and School Leadership (AITSL) promotes excellence in the profession of teaching and school leadership.	Yes
	Chairperson, Committee of Management, APHEDA	The overseas aid agency of the Australian Council of Trade Unions. It builds self-reliance through support to educational and training projects for workers and their organisations in Southeast Asia, the Pacific, the Middle East, Southern Africa and the Caribbean.	Yes
	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Anne Gisborne	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes

OPERATING REPORT (Continued)

ATTACHMENT B (Continued)

DIRECTORSHIPS OF COMPANY OR A MEMBER OF A BOARD (Continued)

Officer/Employee	Company Name	Principal Activities	Position due to role with AEU
Susan Hopgood	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
	Catalyst Australia Inc	Not for profit policy network promoting social and economic equality and improved standards of corporate social responsibility	Yes
	ACTU Member Connect	Services company wholly owned by 16 unions and the ACTU which provides services to union members at preferential rates and financial savings to unions	Yes
Jack Major	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Graham Moloney	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Michelle Purdy	National VET Equity Advisory Council	To improve training and employment outcomes for those at risk of disadvantage in the national training system, by providing leadership for cultural and systemic change in vocational education and training (VET).	Yes
Henry Rajendra	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes
Darcel Russell	Australian Education Union's International Trust Fund Committee	Principal activities involve monitoring, evaluating, proposing and allocating funds to teacher union development projects in other countries.	Yes

OPERATING REPORT (Continued)

ATTACHMENT B (Continued)

DIRECTORSHIPS OF COMPANY OR A MEMBER OF A BOARD (Continued)

Officer/Employee	Company Name	Principal Activities	Position due to role with AEU
------------------	--------------	----------------------	-------------------------------------

Some information has been intentionally masked. Please refer to the statement on page vi.

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
Revenue from continuing operations	3	10,127,356	1,484,806
<b>Expenses</b>			
Administrative and other expenses		(449,176)	(99,865)
Affiliation fees and levies		(1,404,967)	(783)
Campaign and project expenses		(4,432,634)	-
Depreciation and amortisation		(17,091)	(3,336)
Employee related expenses		(2,656,277)	(649,007)
ITF allocation		(88,000)	(22,000)
Legal and professional fees		(28,928)	(14,000)
Meeting and conference expenses		(405,353)	(59,573)
Publications		(652,121)	(143,219)
VET Grant expenses		(100,000)	-
		<u>(10,234,547)</u>	<u>(991,783)</u>
<b>(Deficit) Surplus for the year</b>		<u>(107,191)</u>	<u>493,023</u>
<b>(Deficit) Surplus attributable to the members</b>		(107,191)	493,023
<b>Other comprehensive income</b>			
Changes in reserves		598,133	-
<b>Total comprehensive income for the year attributable to the members</b>		<u>490,942</u>	<u>493,023</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 2013**

	2013 \$	2012 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash and cash equivalents	9,810,083	8,887,736
Trade and other receivables	149,148	968,201
<b>Total current assets</b>	<u>9,959,231</u>	<u>9,855,937</u>
<b>Non-current assets</b>		
Available-for-sale financial assets	3,488,077	3,488,077
Property, plant and equipment	37,369	40,145
<b>Total non-current assets</b>	<u>3,525,446</u>	<u>3,528,222</u>
<b>Total assets</b>	<u>13,484,677</u>	<u>13,384,159</u>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Trade and other payables	520,613	475,029
Provisions	1,820,725	1,658,600
<b>Total current liabilities</b>	<u>2,341,338</u>	<u>2,133,629</u>
<b>Total liabilities</b>	<u>2,341,338</u>	<u>2,133,629</u>
<b>Net assets</b>	<u>11,143,339</u>	<u>11,250,530</u>
<b>FUNDS</b>		
Reserves	3,231,535	3,829,668
General fund	7,911,804	7,420,862
<b>Total funds</b>	<u>11,143,339</u>	<u>11,250,530</u>

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

STATEMENT OF CHANGES IN FUNDS  
FOR THE YEAR ENDED 31 DECEMBER 2013

	General Fund \$	Reserves \$	Total \$
Balance at 1 October 2012	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	-	-	-
Balance at 31 December 2012	<u>7,420,862</u>	<u>3,829,668</u>	<u>11,250,530</u>
Balance at 1 January 2013	7,420,862	3,829,668	11,250,530
Total comprehensive income for the year	(107,191)	-	(107,191)
Revaluation of financial assets	-	-	-
Transfer from general fund	<u>598,133</u>	<u>(598,133)</u>	<u>-</u>
Balance at 31 December 2013	<u>7,911,804</u>	<u>3,231,535</u>	<u>11,143,339</u>

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

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
<b>Cash flows from operating activities</b>		
Receipts of capitation fees and levies (inclusive of GST)	8,524,775	1,576,794
Receipts of campaign contributions from branches (inclusive of GST)	2,471,165	152,675
Sundry receipts	484,587	49,872
Payments to suppliers and employees (inclusive of GST)	(10,957,396)	(1,187,536)
Interest received	274,650	51,230
<b>Net cash inflow from operating activities</b>	<b>797,781</b>	<b>643,035</b>
 <b>Cash flows from investing activities</b>		
Payment for property, plant and equipment	(14,315)	-
<b>Net cash (outflow) from investing activities</b>	<b>(14,315)</b>	<b>-</b>
 <b>Cash flows from financing activities</b>		
Repayment (advance) of borrowing	138,881	16,714
<b>Net cash inflow from financing activities</b>	<b>138,881</b>	<b>16,714</b>
 <b>Net increase in cash and cash equivalents</b>	<b>922,347</b>	<b>659,749</b>
Cash and cash equivalents at beginning of financial year	8,887,736	8,227,987
<b>Cash and cash equivalents at end of financial year</b>	<b>9,810,083</b>	<b>8,887,736</b>

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

---

**1: Summary of significant accounting policies**

**(a) Basis of preparation**

The AEU-Federal Office changed its year end from 30 September to 31 December with effect from 1 January 2013. As a result comparative figures are for a three-month period 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: Section 272 Fair Work (Registered Organisations) Act 2009**

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) to (3) of sections 272, which read as follows:

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

- (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 in writing and must specify the period within which, and the manner in which, the information is to be made available. The period must not be less than 14 days after the application is given to the reporting unit.
- (3) a reporting unit must comply with an application made under subsection (1).



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

3: Revenue

	1 Jan 13 to 31 Dec 13 \$	1 Oct 12 to 31 Dec 12 \$
From continuing operations		
<i>Service revenue</i>		
Affiliation fees & other levies	1,352,694	-
Campaign contributions from branches	2,198,441	-
Capitation fees	5,114,092	1,173,845
Library income	66,459	16,762
Publication income	115,158	15,963
Publication levy	634,762	151,209
	<u>9,481,606</u>	<u>1,357,779</u>
<i>Other revenue</i>		
Interest	260,638	67,516
Rent	128,448	41,675
VET Grant	100,000	-
Donation	-	-
Financial support from another reporting unit	-	-
Sitting fees	23,933	5,336
ITF reimbursements	57,500	12,500
Other revenue	75,231	-
	<u>645,750</u>	<u>127,027</u>
	<u>10,127,356</u>	<u>1,484,806</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.

	2013 \$	2012 \$
Bank autopay facility	<u>30,000</u>	<u>30,000</u>

There are no other known contingent assets or liabilities at 31 December 2013.

5: Events occurring after reporting date

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013**

**6: International Trust Fund**

In addition to the Federal Fund established under Rule 61 and to which these financial statements relate, the following separate funds have been established by the Rules:

1. Branch Funds established by Rule 62  
(each branch prepares and lodges its own financial statements with FWC)
2. International Trust Fund (ITF) established by Rule 67  
(the ITF, being a fund separate from the Federal Fund prepares its own financial statements which are published on the AEU website)

In terms of Rule 67 (3), the objects of the International Trust Fund shall be:-

- a) To promote the exchange of information and understanding between teachers and their organisations in Australia and in other countries;
- b) To promote the development of united and effective teachers' organisations throughout the world and to assist them in times of crisis;
- c) To further the development of education and the professional development of teachers;
- d) To seek the extension of educational opportunities to all children in the world; and
- e) To promote peace, international co-operation and understanding and respect of human rights

A summary of the financial statements of the ITF is presented below:

	2013 \$	2012 \$
<b>Summarised balance sheet</b>		
Current assets	1,514,571	1,364,670
Non-current assets	1,257,839	1,199,656
<b>Total assets</b>	<b>2,772,410</b>	<b>2,564,326</b>
<b>Current liabilities</b>	<b>221,910</b>	<b>156,466</b>
<b>Total liabilities</b>	<b>221,910</b>	<b>156,466</b>
<b>Net assets</b>	<b>2,550,500</b>	<b>2,407,860</b>
	1 Jan 2013 To 31 Dec 2013 \$	1 Oct 2012 To 31 Dec 2012 \$
<b>Summarised income and expenditure statement</b>		
<b>REVENUE</b>		
Contributions	673,018	22,000
Investment income	84,357	21,773
<b>TOTAL REVENUE</b>	<b>757,375</b>	<b>43,773</b>
<b>TOTAL EXPENDITURE</b>	<b>614,735</b>	<b>18,180</b>
<b>EXCESS OF REVENUE OVER EXPENDITURE</b>	<b>142,640</b>	<b>25,593</b>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2013

---

6: International Trust Fund (Continued)

	1 Jan 2013 To 31 Dec 2013 \$	1 Oct 2012 To 31 Dec 2012 \$
Summarised cash flows		
Net cash inflow from operating activities	167,356	55,482
Net cash (outflow) from financing activities	<u>(138,883)</u>	<u>(16,714)</u>
Net increase in cash and cash equivalents	<u>28,473</u>	<u>38,768</u>

## COMMITTEE OF MANAGEMENT STATEMENT

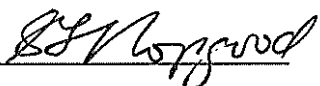
---

On 20/2/14, the Committee of Management of the Australian Education Union - Federal Office passed the following resolution in relation to the general purpose financial report (GPFR) for the year ended 31 December 2013:

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;
3. the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the reporting unit for the financial year to which they relate;
4. there are reasonable grounds to believe that the reporting unit will be able to pay its debts as and when they become due and payable; and
5. during the financial year 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 a branch concerned; and
  - b. the financial affairs of the reporting unit have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
  - c. the financial records of the reporting unit have been kept and maintained in accordance with the RO Act; and
  - d. where the organisation consists of two or more reporting units, the financial records of the reporting unit have been kept, as far as practicable, in a consistent manner with each of the other reporting units of the organisation; and
  - e. where information has been sought in any request by a member of the reporting unit or General Manager duly made under section 272 of the RO Act has been provided to the member or General Manager; and
  - f. where any order for inspection of financial records has been made by the Fair Work Commission under section 273 of the RO Act, there has been compliance.
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 20 February 2014  
ESH

All correspondence to

PO Box 6094  
St Kilda Road Central  
MELBOURNE VIC 8008E [bgl@bglpartners.com.au](mailto:bgl@bglpartners.com.au)

T (03) 9525 2511

F (03) 9525 2829

W [bglpartners.com.au](http://bglpartners.com.au)

ABN 96 006 935 459

## 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 2013, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended and related notes, derived from the audited financial report of the Australian Education Union – Federal Office for the year ended 31 December 2013. The concise financial report does not contain all the disclosures required by the Australian Accounting Standards.

### Committee of Management 's responsibility for the concise financial report

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

### Auditor's responsibility

Our responsibility is to express an opinion on the concise financial report based on our audit procedures. We have conducted an independent audit, in accordance with Australian Auditing Standards, of the financial report of Australian Education Union – Federal Office for the year ended 31 December 2013. Our audit report on the financial report for the year was signed on 21 February 2014 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.

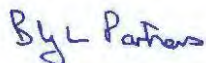
**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
AUSTRALIAN EDUCATION UNION – FEDERAL OFFICE (Continued)****Independence**

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

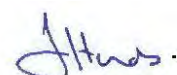
**Opinion**

In our opinion:

- the concise financial report of the Australian Education Union – Federal Office for the year ended 31 December 2013 complies with Australian Accounting Standard AASB 1039 *Concise Financial Reports* and the Fair Work (Registered Organisations) Act 2009
- the Committee of Management's use of the going concern basis of accounting in the preparation of the entity's financial statements is appropriate.



BGL Partners  
Chartered Accountants



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

Approved auditor

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

21 February 2014  
Melbourne