



9 September 2016

Ms Helen Richardson
President
Australian Education Union, Tasmania Branch
32 Patrick Street
Hobart TAS 7000

By e-mail: support@aeutas.org.au

Dear Ms Richardson

**Australian Education Union, Tasmania Branch
Financial Report for the year ended 30 June 2016 - FR2016/163**

I acknowledge receipt of the financial report for the year ended 30 June 2016 for the Australian Education Union, Tasmania Branch (AEU-TAS). The financial report was lodged with the Fair Work Commission (FWC) on 19 August 2016.

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

Whilst the 2016 report has been filed the following should be addressed in the preparation of the next financial report.

1. References to Fair Work Australia

It has been noted that the financial documents refer to 'Fair Work Australia' and 'FWA'. Following the enactment of the *Fair Work Amendment Act 2012*, Fair Work Australia was renamed Fair Work Commission with effect from 1 January 2013.

In future, all references to Fair Work Australia and FWA must refer to Fair Work Commission and FWC respectively.

Refer to the following references in the current report:

Branch Executive Declaration paragraph (b) and paragraph (e)(v).

GPFR final paragraph of Note 12 and Note 16 paragraph (1) remove these words entirely "...of Fair Work Australia".

2. General Purpose Financial Report (GPFR)

Accounting judgments and estimates

Australian Accounting Standard *AASB 101 Presentation of Financial Statements* paragraph 122 requires that the notes to the financial statements include a discussion on the significant accounting judgments and estimates applied.

In future, please ensure this is included.

Note 6 Non-current asset disclosures

The heading and first line of Note 6(c) have been omitted from the GPFR.

In future, please ensure that this information is disclosed correctly.

Notes to the Cash Flow Statement

Reporting Guideline 24 states:

Where another reporting unit and/or controlled entity of the organisation is the source of a cash inflow or the application of a cash outflow, such cash flow should be separately disclosed in the notes to the financial statements and show the name of the other reporting unit and/or controlled entity concerned.

This is in addition to the requirement to disclose capitation fees to/from another reporting unit (Reporting Guideline 14(b) and 16(b)) and receipt of, or provision of, any other financial support from another reporting unit (Reporting Guideline 10, 11 and 14(e)).

In future, please include the appropriate disclosures relating to cash flows to and from another reporting unit/controlled entity.

Reporting Guideline 16(d) disclosures

Note 4 to the GPFR discloses Compulsory levies (public education levy) \$24,153. Where a levy is disclosed reporting guideline 16(d)(iii) requires the name of the entity imposing the levy also be disclosed.

In future, please ensure that this information is disclosed.

Should you wish to discuss the matters raised in this letter, or if you require further information on the financial reporting requirements of the Act, I may be contacted on (03) 8656 4685 or by email at ken.morgan@fwc.gov.au

Yours sincerely



Ken Morgan
Financial Reporting Advisor
Regulatory Compliance Branch

19 August 2016

Fair Work Commission
orgs@fwc.gov.au

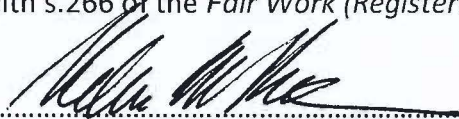
Dear Sir/Madam

**Re: Lodgment of Financial Documents for year ended 30 June 2016 (FR2013/338)
Fair Work (Registered Organisations) Act 2009 (the RO Act)**

I, HELEN RICHARDSON, being the President of the Australian Education Union,
Tasmanian Branch certify:

1. That the documents lodged herewith are copies of the full report for the Australian Education Union, Tasmanian Branch, referred to in s.268 of the *Fair Work (Registered Organisations) Act 2009*; and
2. That the full Report for the year ended 30 June 2016 was provided to members of the reporting unit on 22 July 2016; and
3. That the full report was presented to a Branch Council meeting of the reporting union on 12 August 2016 in accordance with s.266 of the *Fair Work (Registered Organisations) Act 2009*.

Signature of prescribed designated officer.....



Name of prescribed designated officer: HELEN RICHARDSON

Title of prescribed designated officer: PRESIDENT

Dated: 19 AUGUST 2016

Cc: Susan Hopgood, AEU Federal Secretary

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Australian Education
Union Tasmanian
Financial Statements
30 June 2016

Australian Education Union Tasmanian Branch

OPERATING REPORT

For the period ended 30 June 2016

The Branch Executive presents its report of the Australian Education Union Tasmanian Branch for the financial year ended 30 June 2016.

Principal activities

The principal activities of the Union during the financial year were:

- To maintain and improve the working conditions and professional welfare of its members;
- Be a professionally managed and democratic Union which provides maximum opportunities for membership involvement in its activities;
- Provide a wide range of appropriate services and benefits to members; and
- Work towards ensuring a just and equitable society, including by promoting actively public education, training and unionism.

It is noted that during the financial year the activities of the Union were suitably carried out. No significant change in the nature of these activities occurred during the year.

The profit/(loss) from ordinary activities amounted to \$236,380 for the period ending 30 June 2016 (2015: \$281,892).

Financial Affairs

No significant changes were noted to the financial affairs of the Branch during the year.

Right to Resign

Resignation from membership and termination of eligibility for membership is regulated by Rule 17 of the Federal Rules.

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.

Superannuation Trustees/Directors

There are no members of the Branch Council that are trustees or directors of a superannuation entity or an exempt public sector superannuation scheme.

Australian Education Union Tasmanian Branch

OPERATING REPORT

For the period ended 30 June 2016

Number of members

The Union had 5,580 members at the end of the reporting period (2015: 5,756).

Number of employees

The Union employed 22 staff, expressed as 20.77 FTE, as at 30 June 2016 (2015: 26 employees, expressed as 22.68 FTE).

Payments to employers

The Union did not make any payments during the financial year to employers as consideration for the employers making payroll deductions of membership subscriptions.

Australian Education Union Tasmanian Branch

OPERATING REPORT

For the period ended 30 June 2016

Names and positions of the Committee of Management for the financial year 1 July 2015 to 30 June 2016 were:

BRANCH PRESIDENT

POLGLASE, Terry (until 31/01/2016)
RICHARDSON, Helen (from 01/02/2016)

BRANCH DEPUTY PRESIDENTS

DoE

CLIFFORD, Adam (from 01/02/2016)
ALLAN, IAN (from 01/08/2015 – 31/01/2016)
WALKER, Ed (until 06/07/2015)

Allied Staff

JACKSON, Mandy

Secondary Colleges

McNAB, Brian (until 31/01/2016)
REVELL, Peta-Maree (from 01/02/2016)

TAFE Division

CALVERT, Rex (until 31/01/2016)
LENNARD, Paul (from 01/02/2016)

BRANCH EXECUTIVE

ALLAN, Ian
BUGG, Claire (from 01/02/2016)
BUTLER, Andrew (from 01/02/2016)
COATES, Joy (until 31/01/2016)
FOLKS, Dean (until 31/01/2016)
GEALE, Sallyann (from 01/02/2016)
GLASSON, Andrew (until 31/01/2016)
GRIFFIN, Heather (from 01/02/2016)
LAIRD VALENTINE, Margaret (until 31/01/2016)
OSBORNE, Elizabeth

Indigenous Representative

DEVERELL, Stephen (from 01/02/2016)

Australian Education Union Tasmanian Branch

OPERATING REPORT

For the period ended 30 June 2016

GENERAL DIVISION, SOUTH

Branch Council Delegate, General Division Sector – South

BUGG, Claire	(until 31/01/2016)
BUTLER, Warwick	(until 31/01/2016)
CLIFFORD, Leeanne	
CLIFFORD, Nicolas	(from 01/02/2016)
DEVEREUX, Lucy	(from 1/2/16)
EDWARDS, David	
GLOVER, Ed	(until 31/01/2016)
GRIFFIN, Martin	(until 31/01/2016)
GENFORD, David	(from 1/5/16)
HILL, Ailsa	
JONES, Stephen	
KING, Jacqui	
LAIRD-VALENTINE, Margaret	
OSBORNE, Elizabeth	
TUBB, Owen	(until 31/01/2016)
VICKERS, Dianne	(from 1/5/16)
WALDOCK, Michelle	
WATSON, Gregor	
WICKHAM, Marney	(from 1/5/16)

GENERAL DIVISION, NORTH

Branch Council Delegate, General Division Sector – North

COATES, Joy	
DJAKIC, Murat	
DUNCAN, David	
ELLIS, Lucie	
GEALE, Sallyann	(until 31/1/16)
GRIFFIN, Heather	(until 31/1/16)
JAMES, Andrea	
McDONOUGH, Warren	
MITCHELL, Bella	
STRATTON, Cheryl	

Australian Education Union Tasmanian Branch

OPERATING REPORT

For the period ended 30 June 2016

GENERAL DIVISION, NORTH WEST

Branch Council Delegate, General Division Sector – North West

ALLAN, Ian (until 31/1/16)

ARGENT, Julie

FOGG, Samuel

GLOVER, Maree

HABERLE, Raymond

LAMPREY, Robyn

WILSON, Nic

WOODROW, Denise

GENERAL DIVISION, ALLIED STAFF

Branch Deputy President, Allied Staff

JACKSON, Mandy

Branch Council Delegate, General Division Sector – Allied Staff

BOWERMAN, Mandy (until 31/01/2016)

BURRELL, Sharon (until 31/01/2016)

GLASSON, Andrew (until 31/01/2016)

SCHOFIELD, Kai (until 31/01/2016)

YOUNG, Lisa (from 1/5/16)

SECONDARY COLLEGES SECTOR

Secondary Colleges Sector/President/Branch Deputy President – Secondary Colleges

McNAB, Brian (until 31/01/2016)

REVELL, Peta-Maree (from 01/02/2016)

Branch Council Delegate, General Division Sector – Secondary Colleges

BUTLER, Andrew (until 31/01/2016)

FIDAO, Roland

HICKS, Peter (from 01/02/2016)

HINE, Lachlan (from 01/02/2016)

NANDAN, Robyn (until 31/01/2016)

PAPASTAVROU, Loucas

Australian Education Union Tasmanian Branch

OPERATING REPORT

For the period ended 30 June 2016

TAFE DIVISION

TAFE Division President/Branch Deputy President – TAFE

CALVERT, Rex (until 31/01/2016)

LENNARD, Paul (from 01/02/2016)

Branch Council Delegate, TAFE Division

BAILEY, Simon (from 1/5/16)

BACON, Kirsten (until 31/1/16)

DEVERELL, Stephen

LOONE, Simone (from 1/2/16)

VON SAMORZEWSKI, Damien (from 1/2/16)

WALLER, Philip (from 1/2/16)

WRIGHT, Ben (from 1/5/16)

TAFE Division - Executive

BACON, Kirsten

BAILEY, Simon (from 1/2/16)

FRECH, Nick (from 1/2/16)

REES, Stuart (from 1/2/16)

SOMERS, Robeka (from 1/2/16)

VON SAMORZEWSKI, Damien (from 1/2/16)

Officers who are directors of a company or a member of a board

GEALE, Sallyann

HILL, Ailsa

McDONOUGH, Warren

NANDAN, Robyn

Signed in accordance with a resolution of the Branch Executive



Helen Richardson

Branch President

Dated:

25/07/16

Australian Education Union Tasmanian Branch

BRANCH EXECUTIVE DECLARATION

For the period ended 30 June 2016

On the **25/07** / 2016 the Branch Executive of the Australian Education Union Tasmanian Branch passed the following resolution in relation to the general purpose financial report (GPRF) for the year ended 30 June 2016:

The Branch Executive of the Union declares that in relation to the GPRF that in its opinion:

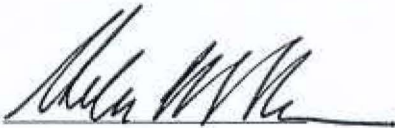
- (a) the financial statements and notes comply with the Australian Accounting Standards;
- (b) the financial statements and notes comply with the reporting guidelines of the General Manager of Fair Work Australia (FWA);
- (c) the financial statements and notes give a true and fair view of the financial performance, financial position and cash flows of the Australian Education Union Tasmanian Branch for the financial year to which they relate;
- (d) there are reasonable grounds to believe that the Australian Education Union Tasmanian Branch will be able to pay its debt as and when they become due and payable;
- (e) during the financial year to which the GPRF relates and since the end of that year:
 - (i) meetings of the committee of management were held in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (ii) the financial affairs of the Australian Education Union Tasmanian Branch have been managed in accordance with the rules of the organisation including the rules of a branch concerned; and
 - (iii) the financial records of the Australian Education Union Tasmanian Branch have been kept and maintained in accordance with the Fair Work (Registered Organisations) Act 2009 and the Fair Work (Registered Organisations) Regulations 2009; and
 - (iv) as far as is practical and reasonable, the financial records of the Australian Education Union Tasmanian Branch have been kept in a consistent manner to other national education union branches; and

Australian Education Union Tasmanian Branch

BRANCH EXECUTIVE DECLARATION

For the period ended 30 June 2016

- (v) the information sought in any request of a member of the Australian Education Union Tasmanian Branch or the General Manager of FWA duly made under section 272 of the Fair Work (Registered Organisations) Act 2009 has been furnished to the member of the General Manager of FWA; and
- (vi) no orders have been made by the Commission under section 273 of the Fair Work (Registered Organisations) Act 2009;
- (f) in relation to the recovery of wages activity, no activity of this nature has been undertaken.



Helen Richardson
Branch President

Dated: 25/07/16

Auditor's Independence Declaration to the Branch Executive of Australian Education Union

In relation to our audit of the financial report of Australian Education Union for the financial year ended 30 June 2016, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.



J DOYLE
PARTNER
WISE LORD & FERGUSON

Date: 25 Jun 2016

Australian Education Union Tasmanian Branch

STATEMENT OF COMPREHENSIVE INCOME

For the period ended 30 June 2016

	Notes	2016 \$	2015 \$
Revenue			
Membership subscription		3,605,637	3,643,691
Cinema ticket sales		41,338	43,739
Board sitting fees		33,068	29,787
Investment income & interest		73,788	16,171
Rental revenue		46,675	44,104
Other revenue		43,489	50,341
Total Revenue		3,843,995	3,827,833
Other Income			
Net movement in managed investments		(8,867)	28,263
Net gains from sale of assets		103	-
Total other income		(8,764)	28,263
Total Income		3,835,231	3,856,096
Expenses			
Employee expenses	4(a)	2,527,647	2,571,600
Capitation fees	4(b)	193,539	198,717
Affiliation fees	4(c)	75,099	65,657
Administration expenses	4(d)	639,888	549,022
Grants or donations	4(e)	-	7,046
Depreciation and amortisation	4(f)	136,327	131,459
Legal costs	4(g)	9,351	21,733
Net losses from sale of assets		-	4,970
Other expenses	4(h)	17,000	24,000
Total expenses		3,598,851	3,574,204
Profit for the year		236,380	281,892
Other comprehensive income		-	-
Total comprehensive income for the year		236,380	281,892

The accompanying notes form part of the financial statements.

Australian Education Union Tasmanian Branch

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Notes	2016 \$	2015 \$
ASSETS			
Current Assets			
Cash and cash equivalents	5(a)	686,186	1,872,852
Trade and other receivables	5(b)	34,825	196,980
Other current assets	5(c)	2,285,688	728,290
Total Current Assets		3,006,699	2,798,122
Non-Current Assets			
Land and buildings	6(a)	2,257,688	2,314,831
Property, plant and equipment	6(b)	162,355	117,440
Motor vehicles	6(c)	151,734	145,746
Total Non-Current Assets		2,571,777	2,578,017
Total Assets		5,578,476	5,376,139
LIABILITIES			
Current Liabilities			
Trade payables	7(a)	53,360	99,602
Other payables	7(b)	127,405	99,623
Employee provisions	8	409,308	351,238
Total Current Liabilities		590,073	550,463
Non-Current Liabilities			
Employee provisions	8	110,158	183,811
Total Non-Current Liabilities		110,158	183,811
Total Liabilities		700,231	734,274
Net Assets		4,878,245	4,641,865
EQUITY			
Retained profits	9(a)	3,410,815	3,174,435
Reserves	9(c)	1,467,430	1,467,430
Total Equity		4,878,245	4,641,865

The accompanying notes form part of the financial statements.

Australian Education Union Tasmanian Branch

STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2016

	Retained Earnings \$	General Reserve \$	Asset Revaluation Reserve \$	Total Equity \$
Closing Balance as at 30 June 2014	2,892,543	725,031	742,399	4,641,865
Profit for the year	281,892	-	-	281,892
Closing balance as at 30 June 2015	3,174,435	725,031	742,399	4,641,865
Profit for the year	236,380	-	-	236,380
Closing balance as at 30 June 2016	3,410,815	725,031	742,399	4,878,245

The accompanying notes form part of the financial statements.

Australian Education Union Tasmanian Branch

Statement of Cash flows

For the period ended 30 June 2016

	Notes	2016 \$	2015 \$
OPERATING ACTIVITIES			
Cash received			
Receipts from members		3,614,504	3,643,691
Investment income & interest		73,788	17,834
Other Income		304,238	197,420
Cash used			
Employees		(2,543,230)	(2,631,158)
Suppliers		(948,474)	(848,581)
Net cash from (used by) operating activities	10	<u>500,826</u>	<u>379,206</u>
INVESTING ACTIVITIES			
Cash received			
Proceeds from sale of plant and equipment		23,410	26,851
Cash used			
Loans to/(Repayments from) members and staff		8,757	10,245
Purchase of plant and equipment		(153,384)	(117,155)
Proceeds/(Purchase) of investments		(1,566,265)	621,053
Net cash from (used by) investing activities		<u>(1,687,482)</u>	<u>540,994</u>
Net increase (decrease) in cash held		(1,186,666)	920,200
Cash and cash equivalents at the beginning of the period		1,872,852	952,652
Cash and cash equivalents at the end of the period	5(a)	<u>686,186</u>	<u>1,872,852</u>

The accompanying notes form part of the financial statement.

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Preparation of the Financial Statements

The financial statements are general purpose financial statements and have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period and the Fair Work (Registered Organisation) Act 2009. For the purpose of preparing the general purpose financial statements, the Australian Education Union Tasmanian Branch is a not-for-profit entity. Disclosures made in the financial statements with zero values in both financial years are disclosed only due to the mandatory requirements of the Fair Work Commission.

The financial report covers the Australian Education Union Tasmanian Branch as an individual entity. The Australian Education Union Tasmanian Branch is a trade union in Tasmania governed by the Fair Work (Registered Organisations) Act 2009.

The financial statements have been prepared on an accrual basis and are based on historical cost, except for certain assets and liabilities measured at fair value, as explained in the accounting policies below. Historical cost is 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.

(b) Statement of Compliance

The financial report complies with Australian Accounting Standards, including International Financial Reporting Standards ('IFRS').

(c) Comparative Amounts

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

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) New Australian Accounting Standards

Adoption of New Australian Accounting Standard Requirements

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

The accounting policies adopted are consistent with those of the previous financial year.

There are no new standards, amendments to standards or interpretations that were issued prior to sign off date that are expected to have a financial impact on the Union in the future reporting period.

(e) Cash and Cash Equivalents

Cash is recognised at its nominal amount. Cash and cash equivalents includes cash on hand, deposits held at call with bank, other short-term highly liquid investments with original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown within short-term borrowings in current liabilities on the statement of financial position.

(f) Trade Debtors and Other Receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written-off as incurred.

(g) Other Current Assets

Managed Investments are classified as fair value through profit or loss with any gains or losses arising on measurement recognised in profit or loss. Mortgage Fund investments are valued at amortised cost using the effective interest rate method.

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Land, Buildings, Plant and Equipment

Asset Recognition

Purchases of land, buildings, plant and equipment are recognised at cost in the Statement of Financial Position. The initial cost of an asset does not include an estimate of the cost of dismantling and removing the item and restoring the site on which it is located. Any such costs would be insignificant.

Recoverable Amount

Non-current assets measured using the cost basis are not carried at an amount above their recoverable amount, and where a carrying value exceeds this recoverable amount, the asset is written down.

Depreciation

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful life using, in all cases, the straight line method of depreciation. Depreciation rates (useful lives), residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable asset are based on the following useful lives:

	2016	2015
Land and buildings	50 years	50 years
Plant and equipment	4 to 5 years	4 to 5 years
Computer equipment	2.5 to 3 years	2.5 to 3 years
Motor vehicles	4 to 5 years	4 to 5 years

Derecognition

An item of land, buildings, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit and loss.

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Trade and Other Payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the Union.

(j) Employee Benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave, long service leave and termination benefits when it is probable that settlement will be required and they are capable of being measured reliably.

Liabilities for short-term employee benefits (as defined in AASB 119 Employee Benefits) and termination benefits due within twelve months of the end of reporting period are measured at their nominal amounts. The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

Other long-term employee benefits are measured as the present value of the estimated future cash outflows to be made by the reporting unit in respect of services provided by employees up to reporting date.

(k) Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Revenue from subscriptions is accounted for on an accrual basis and is recorded as revenue in the year to which it relates.

Donation income is recognised when it is received.

Interest revenue is recognised on an accrual basis using the effective interest method.

Rental revenue from operating leases is recognised on a straight-line basis over the term of the relevant lease.

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(l) Other Income

Gains and losses from disposal of assets are recognised when control of the asset has passed to the buyer.

(m) Taxes

The Union 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).

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

- where the amount of GST incurred is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; 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 in the Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from or payable to, the taxation authority.

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.

(n) Going Concern

The Union is not reliant on the agreed financial support of another reporting unit to continue on a going concern basis.

NOTE 2 EVENTS AFTER THE REPORTING PERIOD

There were no events that occurred after 30 June 2016, or prior to the signing of the financial statements, that would affect the ongoing structure and financial activities of the Union.

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

	2016	2015
	\$	\$
Note 3 REVENUE		
<p>During the 2015/2016 financial year, AEU did not receive any revenue from capitation fees, levies, grants or donations. The union has not received financial support from any other Reporting Units.</p>		
Note 4 EXPENSES		
(a) Employee expenses		
Holders of office		
Wages and salaries	130,608	142,392
Superannuation	19,591	21,359
Leave and other entitlements	29,613	40,679
Executive expenses	32,464	22,386
Employee expenses - holders of office	<u>212,276</u>	<u>226,816</u>
Employees other than office holders		
Wages and salaries	1,874,375	1,968,392
Superannuation	258,562	287,827
Leave and other entitlements	182,434	88,565
Employee expenses - employees other than office holders	<u>2,315,371</u>	<u>2,344,784</u>
Total employee expenses	<u>2,527,647</u>	<u>2,571,600</u>
<p>There are no other expenses relating to redundancies or other liabilities for office holders and other employees of the Union. No fees have been incurred as consideration for employers making payroll deductions for membership subscriptions.</p>		
(b) Capitation fees		
AEU Federal capitation fees	<u>193,539</u>	<u>198,717</u>
Total capitation fees	<u>193,539</u>	<u>198,717</u>
(c) Affiliation fees		
ACTU Affiliation	35,009	17,919
TTLC Affiliation	33,442	34,675
Education International Affiliation	6,648	13,063
Total affiliation fees	<u>75,099</u>	<u>65,657</u>

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 4 EXPENSES (continued)	2016	2015
	\$	\$
(d) Administration expenses		
Accounting and auditing	19,410	13,330
Bank charges	24,273	17,931
Branch Council	19,002	22,427
Compulsory levies (public education levy)	24,153	20,457
Computer maintenance and database upgrades	100,998	32,947
Conference and meeting expenses	44,190	38,709
Fees/allowances – meeting and conferences	27,512	22,639
Industrial campaigns	49,027	43,727
Insurance	46,616	51,039
Members expenses	53,851	60,006
Postage, printing & stationery	19,725	21,719
Property expenses	78,990	82,610
Publications	8,515	8,628
Repairs and maintenance	49,947	37,570
Research	5,178	5,571
Uniforms	236	1,763
Telephone	34,317	31,451
Travel and motor vehicle expenses	33,948	36,498
Total administration expenses	<u>639,888</u>	<u>549,022</u>
(e) Grants or donations		
Donations:		
Total paid that were \$1,000 or less	-	1,046
Total paid that exceeded \$1,000	-	6,000
Total grants and donations	<u>-</u>	<u>7,046</u>
(f) Depreciation and amortisation		
Land and buildings	57,153	57,286
Plant and equipment	44,697	39,115
Motor vehicles	34,477	35,058
Total depreciation and amortisation	<u>136,327</u>	<u>131,459</u>
(g) Legal costs		
Litigation	9,351	21,733
Total legal costs	<u>9,351</u>	<u>21,733</u>

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 4 EXPENSES (continued)	2016	2015
(h) Other expenses	\$	\$
Contribution to International Trust Fund	17,000	24,000
Penalties – via RO Act or RO Regulations	-	-
Total other expenses	17,000	24,000

(i) The union has not provided financial support for any other Reporting Units.

NOTE 5 CURRENT ASSETS

(a) Cash and cash equivalents		
Cash at bank	685,958	1,872,624
Cash on hand	228	228
Total cash and cash equivalents	686,186	1,872,852
(b) Trade and other receivables		
Sundry debtors	1,175	9,743
Loans to members and staff	8,560	17,317
Prepayments	15,244	28,974
Accrued membership subscriptions	9,846	140,946
Total current receivables	34,825	196,980
Less provision for doubtful debts	-	-
Total current receivables (net)	34,825	196,980

Sundry debtors are non-interest bearing and generally collected on 30 day terms.

The Australian Education Union Tasmanian Branch does not have monies receivable from other reporting units at 30 June 2016.

(c) Other current assets		
Managed Investment	743,025	30
Mortgage Fund Investment	1,542,663	728,260
Total other current assets	2,285,688	728,290

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 6 NON-CURRENT ASSETS	2016	2015
	\$	\$
(a) Land and buildings		
At cost	2,855,856	2,855,856
Accumulated depreciation	(598,178)	(541,025)
Total land and buildings	<u>2,257,678</u>	<u>2,314,831</u>
<i>Reconciliation of the opening and closing balances of land and buildings</i>		
Net book value 1 July	2,314,831	2,372,117
Additions	-	-
Depreciation expense	(57,153)	(57,286)
Net book value 30 June	<u>2,257,678</u>	<u>2,314,831</u>
Net book value as of 30 June represented by		
Gross book value	2,855,856	2,855,856
Accumulated depreciation and impairment	(598,178)	(541,025)
Net book value 30 June	<u>2,257,678</u>	<u>2,314,831</u>
(b) Plant and equipment		
At cost	569,001	489,445
Accumulated depreciation	(406,646)	(372,005)
Total plant and equipment	<u>162,355</u>	<u>117,440</u>
<i>Reconciliation of the opening and closing balances of plant and equipment</i>		
Net book value 1 July	117,440	135,534
Additions	93,553	24,999
Disposals	(3,982)	(3,978)
Depreciation expense	(44,656)	(39,115)
Net book value 30 June	<u>162,355</u>	<u>117,440</u>
Net book value as of 30 June represented by		
Gross book value	569,001	489,445
Accumulated depreciation and impairment	(406,646)	(372,005)
Net book value 30 June	<u>162,355</u>	<u>117,440</u>
Accumulated depreciation	<u>(70,874)</u>	<u>(70,713)</u>
Total motor vehicles	<u>151,734</u>	<u>145,746</u>

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

	2016	2015
	\$	\$
NOTE 6 NON-CURRENT ASSETS (continued)		
<i>Reconciliation of the opening and closing balances of motor vehicles</i>		
Net book value 1 July	145,746	116,491
Additions	60,040	92,156
Disposals	(19,935)	(27,843)
Depreciation expense	(34,477)	(35,058)
Net book value 30 June	<u>151,734</u>	<u>145,746</u>
Net book value as of 30 June represented by		
Gross book value	222,608	216,459
Accumulated depreciation and impairment	(70,874)	(70,713)
Net book value 30 June	<u>151,734</u>	<u>145,746</u>

NOTE 7 CURRENT LIABILITIES

(a) Trade payables

Trade creditors	20,797	3,361
Accrued expenses	32,563	96,241
Total trade payables	<u>53,360</u>	<u>99,602</u>

Trade payables are non-interest bearing and are usually settled within 30 days.

The Australian Education Union Tasmanian Branch does not have monies payable to other reporting units at 30 June 2016.

(b) Other payables

GST Payable	70,223	57,198
PAYG withholding tax	57,182	42,425
Consideration to employers for payroll deduction	-	-
Legal costs	-	-
Total other payables	<u>127,405</u>	<u>99,623</u>

Wages and salaries, employee payroll deductions and legal costs were fully paid as at 30 June 2016.

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

	2016	2015
	\$	\$
NOTE 8 EMPLOYEE PROVISIONS		
Holders of office		
Annual leave	4,258	29,545
Long service leave	28,154	11,134
Employee provisions - holders of office	<u>32,412</u>	<u>40,679</u>
Employees other than office holders		
Annual leave	211,400	235,426
Long service leave	275,654	258,944
Employee provisions - employees other than office holders	<u>487,054</u>	<u>494,370</u>
Total employee provisions	519,466	535,049
Current	409,308	351,238
Non-current	110,158	183,811
Total employee provisions	<u>519,466</u>	<u>535,049</u>

There are no other provisions relating to redundancies or other liabilities for office holders and other employees of the Union.

NOTE 9 EQUITY

(a) Retained Profits		
Balance at the beginning of the year	3,174,435	2,892,543
Profit for the year	236,380	281,892
Balance at end of year	<u>3,410,815</u>	<u>3,174,435</u>
(b) General reserve		
Balance as at beginning of the year	725,031	725,031
Transferred in or out	-	-
Balance at end of year	<u>725,031</u>	<u>725,031</u>
(c) Asset revaluation reserve		
Balance as at beginning of the year	742,399	742,399
Transferred in or out	-	-
Balance at end of year	<u>742,399</u>	<u>742,399</u>
Total Reserves	1,467,430	1,467,430

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

	2016	2015
	\$	\$
NOTE 10 CASH FLOW		
(a) CASH FLOW RECONCILIATION		
Profit for the year	236,380	281,892
Adjustments for non-cash items		
Depreciation	136,327	131,459
Net (profit)/loss on disposal of plant and equipment	(103)	4,970
Movement in Investments	8,867	-
Changes in assets and liabilities		
(Increase)/decrease in trade and other receivables	153,398	(16,796)
(Decrease)/increase in trade and other payables	(18,460)	37,239
(Decrease)/increase in employee provisions	(15,583)	(59,558)
Net cash from (used by) operating activities	500,826	379,206
(b) CASH FLOW INFORMATION		
Cash inflows		
Operating activities	3,983,663	3,858,945
Investing activities	24,441	658,149
Total cash inflows	4,008,104	4,554,190
Cash outflows		
Operating activities	3,491,704	3,479,739
Investing activities	1,703,056	117,155
Total cash outflows	5,194,760	3,596,894

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 11 RELATED PARTY DISCLOSURES

(a) Related Parties

The Branch Executive of the Australian Education Union Tasmanian Branch during the financial year were:

Helen Richardson	President
Mandy Jackson	Deputy President – Allied Staff
Rex Calvert	Deputy President – TAFE
Brian McNab	Deputy President – Secondary Colleges
Ed Walker	Deputy President – Department of Education
Andrew Glasson	
Margaret Laird Valentine	
Ian Allan	
Joy Coates	
Dean Folks	
Elizabeth Osborne	

	2016	2015
	\$	\$
(b) International Trust Fund		
This fund has been set up under AEU Rules and is audited separately. AEU Branches contribute to the fund.		
Contribution	17,000	24,000

NOTE 12 REMUNERATION OF AUDITORS

Value of the services provided by WLF Accounting & Advisory

Financial statement audit services	10,600	10,300
Other services	-	300
Total remuneration of auditors	10,600	10,600

Other services relates to the preparation of the financial statements in the Fair Work Australia model financial statements format.

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 13 FINANCIAL INSTRUMENTS

The entity's principle financial assets comprise cash, cash investments and trade debtors whilst its principle financial liabilities comprise trade payables.

The entity has exposure to the following risks from its use of financial instruments:

(a) Credit risk

Credit risk is the risk of financial loss to the Union if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Unions receivables from customers.

The entity's maximum exposure to credit risk at balance date in relation to each class of recognised financial assets, is the carrying amount of those assets as indicated in the balance sheet.

The Union does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Union.

(b) Interest rate risk

Interest rate risk is the risk that a financial instrument's value will fluctuate as a result of changes in market interest rates.

The majority of the Unions financial assets are held in interest bearing assets that are expected to mature within three months or in financial assets that reset to the prevalent market interest rate on a monthly or quarterly basis. As a result, the Union is subject to limited exposure to interest rate risk due to fluctuations in the prevailing levels of market interest rates.

An increase / (decrease) in interest rates of 1% will have a corresponding effect on revenue of \$29,719 (2015, \$26,011).

Australian Education Union Tasmanian Branch

NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 June 2016

NOTE 14 KEY MANAGEMENT PERSONNEL REMUNERATION

	Short-term employee benefits	Post- employment benefits	Long term benefits	Other	Total
2016					
Total income paid or payable to all Executives of the Union	257,494	37,939	28,154	-	323,587
2015					
Total income paid or payable to all Executives of the Union	326,486	48,973	42,947	-	418,406

NOTE 15 UNION DETAILS

The principal place of business of the Union is:

32 Patrick Street
HOBART TAS 7000

NOTE 16 SECTION 272 FAIR WORK (REGISTERED ORGANISATIONS) ACT 2009

In accordance with requirements of the Fair Work (Registered Organisations) Act 2009, the attention of members is drawn to the provisions of sub-sections (1) to (3) of section 272 which read as follows:

- (1) A member of a reporting unit, or the General Manager of Fair Work Australia, 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).

Independent auditor's report to the members of the Australian Education Union Tasmanian Branch

We have audited the accompanying financial report of the Australian Education Union Tasmanian Branch, which comprises the Statement of Financial Position as at 30 June 2016, and the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the Branch Executive declaration.

Branch Executive Responsibility for the Financial Report

The Branch Executive of the Association are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and with *Fair Work (Registered Organisations) Act 2009*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances. In Note 1, the directors also state that the financial report, comprising the financial statements and notes, complies with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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 and International Standards on Auditing. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Branch Executive, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit we have met the independence requirements of the Australian professional accounting bodies.

Auditor's Opinion

In our opinion:

- a) the general purpose financial report presents fairly in accordance with applicable Australian Accounting Standards and other mandatory professional reporting requirements in Australia and the requirements of the *Fair Work (Registered Organisations) Act 2009*.
- b) there are reasonable grounds to believe that management's use of the going concern basis of accounting in the preparation of the reporting unit's financial statements is appropriate.



Joanne Doyle
Partner
Wise Lord & Ferguson
Registered Company Auditor
(217468)

1/160 Collins Street
Hobart TAS 7001

Date: 25 July 2016